



**Tennessee Housing Development Agency -  
Board of Directors**

**Committee and Board Meeting Materials  
March 21, 2023**



# Tennessee Housing Development Agency

Andrew Jackson Building Third Floor  
502 Deaderick St., Nashville, TN 37243

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

**TO:** THDA Board of Directors  
**FROM:** Ralph M. Perrey, Executive Director  
**SUBJECT:** March Committee and Board Meetings  
**DATE:** March 10, 2023

We look forward to welcoming you to Nashville for our Board of Directors meeting March 21. At Chairman McGauley's suggestion we are moving to a different meeting format, which we hope will allow for more discussion and input from board members.

You will notice that other than those required by statute (Audit & Budget, Bond Finance) we are doing away with committees and will handle all discussion and action items in the Board meeting itself. We will also have business updates at each meeting specific to our Single Family and Multifamily business, and continue the longer background presentations on other, perhaps less familiar, aspects of THDA's work.

There are several action items for your attention this month:

- An amendment to the grant you authorized last September for an Eviction Prevention Program administered by the Community Foundation of Greater Chattanooga. The funds are actually to be administered by the Homeless Coalition of Greater Chattanooga. We ask your formal approval for THDA to provide those funds directly to the Coalition.
- We ask your approval of an additional \$250,000 grant to support the Mortgage Bankers Association's *Convergence Memphis* program in which THDA has been an early and key partner.
- We require your approval to apply to the US Department of Energy to administer the Weatherization Assistance Program (WAP). We have administered this program on the state's behalf for many years but are required to make annual application to do so.
- There are several extension requests from recipients of HOME grants. We encourage your approval of more time to help our partners through delays caused by rising costs, supply chain delays and other difficulties.

We look forward to seeing you later this month. Please feel free to call me with any questions or concerns, and let Britny Booth know if you need assistance with travel, lodging or parking.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.





# Tennessee Housing Development Agency

Andrew Jackson Building Third Floor  
502 Deaderick St., Nashville, TN 37243

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## THDA Board of Directors and Committee Meetings Agendas

Tuesday, March 21, 2023 at 10 AM CT  
Nashville Room, Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

### COMMITTEE AGENDAS

#### AUDIT & BUDGET COMMITTEE

-No Business for this meeting

#### BOND FINANCE COMMITTEE

A. Approval of Bond Finance Committee Meeting Minutes-January 24, 2023

B. Action Item

1. Bond Issue 2023-2



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.



**THDA Board of Directors Board Meeting Agenda**  
**(directly following Bond Finance Committee Meeting)**

**Tuesday, March 21, 2023 at 10 AM CT**  
**Nashville Room, Tennessee Towers**  
**312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor**  
**Nashville, TN 37243**

- A. Board Chair Convening of the Board and Introductory Comments**
- B. Public Comment Period**
- C. Executive Director’s Report**
- D. Single Family Business Update**
- E. Multifamily Business Update**
- F. Community Programs & Rental Assistance Presentation – Homelessness Programs (Emergency Solutions Grants, Emergency Housing Voucher, and HOME-ARP)**
- G. Approval of Minutes from January 27, 2023 meeting**
- H. Board Approval of Past Committee Minutes**
  - 1. Grants Committee Minutes-January 24, 2023
  - 2. Lending Committee Minutes-January 24, 2023
  - 3. Rental Assistance Committee Minutes-September 27, 2022
  - 4. Rental Assistance Committee Minutes-January 24, 2023
  - 5. Tax Credit Committee Minutes- November 15, 2022
- I. Board Discussion Item**
  - 1. 2022 HOME-ARP Rental Housing Round 1 Funding Awards
- J. Board Action Items**
  - 1. Bond Issue 2023-2
  - 2. Eviction Prevention Pilot Program Revision
  - 3. CONVERGENCE-Memphis Grant
  - 4. 2023 Weatherization Assistance Program Application Submission Authorization
  - 5. 2020 HOME Grant Extension Requests



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.





**Tennessee Housing Development Agency -  
Board of Directors**

**Audit & Budget Committee**

**NO BUSINESS FOR THIS MEETING**



## **Bond Finance Committee**



# Tennessee Housing Development Agency

Andrew Jackson Building Third Floor  
502 Deaderick St., Nashville, TN 37243

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## Bond Finance Committee Meeting Agenda

Tuesday, March 21, 2023 at 1000 AM CST  
The Nashville Room – Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

- A. Approval of Minutes from January 24, 2023 meeting
- B. Action Item
  - 1. Bond Issue 2023-2

### **Committee Members:**

Matt McGauley (Chair)  
Commissioner Jim Bryson  
Secretary Tre Hargett  
Treasurer David Lillard  
Comptroller Jason Mumpower



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.



TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOND FINANCE COMMITTEE  
January 24, 2023

Pursuant to the call of the Chairman, the Bond Finance Committee of the Tennessee Housing Development Agency Board of Directors (the “Committee”) met on Tuesday, January 24, 2023, at 10:11 AM CT in Tennessee Room #2 of the William R. Snodgrass Tennessee Tower, 312 Rosa Parks Blvd; Nashville, TN 37243.

The following Committee members were present in person: Chair Mathew McGauley; Sara Quierolo (for Treasurer David Lillard); Alex Schuhmann (for Commissioner Jim Bryson); and Katie Armstrong (for Comptroller Jason Mumpower).

Recognizing a quorum present, Chair McGauley called the meeting to order and asked for consideration and approval of the November 15, 2022, Bond Finance Committee Meeting Minutes. Upon motion by Mr. Schuhmann and second by Ms. Armstrong, the motion carried and the minutes were approved.

Chair McGauley recognized Mr. Trent Ridley, THDA Chief Financial Officer, to present the Five-Year Strategic Financial Plan, as outlined in the memo of the same name dated January 6, 2023, from himself and Wayne Beard, Director of Finance, found in the board packet. Mr. Ridley highlighted that the Plan anticipates \$2.72 billion in Single Family loan business over the next five years funded with \$1.56 billion Mortgage Revenue Bonds and \$1.16 billion Capital Markets Sales. All future bond issuance will be under the 2013 General Resolution, which does not carry the “moral obligation” of the State. Upon motion by Mr. Schuhmann and a second by Ms. Armstrong, the motion carried to approve the Five-Year Strategic Financial Plan was carried.

There being no further business, Chair McGauley adjourned the meeting at 10:19 AM CT.

Respectfully submitted,

Sandi Thompson,  
Assistant Secretary  
Approved this 21<sup>st</sup> day of March, 2023.





# Tennessee Housing Development Agency

Andrew Jackson Building Third Floor  
502 Deaderick St., Nashville, TN 37243

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## MEMORANDUM

**TO:** THDA Bond Finance Committee, THDA Board of Directors

**FROM:** Bruce Balcom, Chief Legal Counsel

**SUBJECT:** Approval of Issue 2023-2

**DATE:** March 21, 2023

### Recommendation

Approval of the Plan of Financing by the Bond Finance Committee, with recommendation to the Board to approve, and subsequent Board approval, of the Authorizing Resolution, including the form of the Supplemental Resolution, and the Reimbursement Resolution.

### Key Points

It is anticipated that THDA will need new bond proceeds sometime around June 1, 2023. Pricing will occur sometime around that date with the expectation of closing before the end of July. Staff proposes utilizing a convertible option bond (“COB”)<sup>1</sup> for a portion of this deal to capture positive arbitrage if market conditions warrant.

### Background

Attached please find the following documents in connection with the requested authorization of the THDA bond issue, Issue 2023-2:

1. Memo from CSG Advisors Incorporated (“CSG”) recommending authorization in the maximum principal amount of \$250,000,000 for a bond issue under the General Residential Finance Program Bond Resolution adopted in 2013. This bond issue may include a COB, which

---

<sup>1</sup> A convertible option bond is a bond with a short term maturity and an interest rate which may be fixed or variable. **It allows us to issue bonds to capture positive arbitrage (the COB is anticipated to be remarketed at a future date into traditional MRB’s).**



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.



could include a variable interest rate. Staff expects this bond issue to be priced at the earliest in June 2023 and closed not later than July 2023. The final size and structure will be determined by the Authorized Officer.

2. THDA Plan of Financing for Issue 2023-2 Residential Finance Program Bonds, which the Bond Finance Committee will be asked to approve.
3. Resolution of the Board of Directors of the Tennessee Housing Development Agency Authorizing the Issuance and Sale of Residential Finance Program Bonds, Issue 2023-2, that includes the form of Supplemental Resolution for Issue 2023-2 and that authorizes the referenced bond issue and delegates authority to the Authorized Officer to determine all final terms and conditions. The Bond Finance Committee will be asked to recommend this resolution and the transaction to the THDA Board of Directors.
4. Resolution of the Board of Directors of the Tennessee Housing Development Agency Authorizing Reimbursement of THDA from Proceeds of Issue 2023-2 in an amount not to exceed \$50,000,000. The Bond Finance Committee will be asked to recommend this resolution to the Board of Directors.

#### COMPLIANCE WITH THDA DEBT MANAGEMENT POLICY

Issue 2023-2 complies with the Tennessee Housing Development Agency Debt Management Policy adopted on November 28, 2011, as amended (the “Debt Management Policy”). In particular, Issue 2023-2 complies with the Debt Management Policy as follows:

Part III - by allowing THDA “...to maintain a steadily available supply of funds to finance its mortgage loan programs at cost levels that provide competitive, fixed interest rate mortgage loans that benefit low and moderate income families, while maintaining or improving THDA’s overall financial strength and flexibility...”

Part VIII - the issuance of this debt will not cause THDA to exceed the statutory debt limit contained in TCA Section 13-23-121, assuming the bill currently on the Governor’s desk is not vetoed.

Part X - the factors and items listed to be considered in planning, structuring and executing a bond issue have been and will be considered as planning, structuring and executing this bond issue moves forward.

Part XIV - serial bonds, terms bonds and PAC bonds are being considered for the structure of the bond issue.

Parts XV – authorization of a potential refunding component is expected to result in present value savings and/or preserve volume cap and will further THDA program objectives of providing competitive, fixed interest rate mortgage loans that benefit low and moderate income families.

Parts XVIII, XIX, XX and XXI are not applicable as authorization requested for Issue 2023-2 does not include interest rate and forward purchase agreements, conduit debt, or variable rate debt.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.



## MEMORANDUM

**TO:** THDA Board of Directors and THDA Bond Finance Committee

**FROM:** Tim Rittenhouse, David Jones, and Eric Olson

**SUBJECT:** Bond Issue Authorization Recommendation

**RE:** Residential Finance Program Bonds, Issue 2023-2

**DATE:** March 6, 2023

### Executive Summary

- CSG recommends that the THDA Board of Directors and THDA Bond Finance Committee authorize a \$250 million Issue 2023-2 under the Residential Housing Finance Program Bond Resolution as new money bonds to fund THDA's qualified Great Choice mortgage loan pipeline as well as potentially its non-qualified mortgage loan pipeline. The exact issue size will be evaluated closer to the bond sale date based on THDA's mortgage pipeline and interest rates at the time.
- THDA is currently committing loans against Issue 2023-1 and expects to have it fully reserved by approximately the end of May or beginning of June.
- Issue 2023-2, if authorized, is expected to be sold in the summer of 2023 and could include both non-AMT bonds and potentially taxable bonds to fund THDA's non-qualified conventional loan production.

### Background

On October 27<sup>th</sup>, THDA closed its \$160 million Residential Finance Program Bonds, Issue 2022-3 (Non-AMT). All such funds initially available for purchasing new loans have been obligated. THDA anticipates pricing Issue 2023-1 on March 28<sup>th</sup> and 29<sup>th</sup>, providing sufficient funding for new loans likely to last through at least May and likely into June.

Once the Issue 2023-1 proceeds are fully originated, THDA would purchase mortgage loans using available THDA funds, expecting that such advances will be reimbursed with proceeds of Issue 2023-2. Based on current projections, staff expects THDA has sufficient available funds on hand to continue purchasing mortgage loans through the anticipated closing of Issue 2023-2, assuming a closing sometime in the July or August of 2023.

THDA's outstanding Homeownership Program Bonds, Issue 2013-1 and Issue 2013-2 are optionally redeemable at par on any date. These bonds may be refunded by Issue 2023-2 or a future bond issue anytime under a common plan of finance with the "new money" portion of the Issue 2023-2 transaction, however, based on current bond rates, neither issue is economically beneficial to refund. We will continue to monitor the market in the event that it becomes beneficial to refund either Issue 2013-1 or 2013-2.

### **Proposed Sizing and Structure**

Authorizing a bond issue of not to exceed \$250 million is expected to allow THDA to continue purchasing mortgage loans through the summer of 2023 and perhaps beyond. The ultimate size of the issue will depend on mortgage loan demand until pricing, on interest rates, and on an assessment of any negative reinvestment costs (the cost of investing bond proceeds at lower interest rates than the bond interest rate before the proceeds can be used to purchase mortgage loans). Current reinvestment costs are quite minimal given the much higher rates at which THDA can currently invest its bond proceeds prior to purchasing mortgage loans compared to bonds issued in 2021 and before.

After Issue 2022-3, and before including the volume cap used in Issue 2023-1, THDA has unused volume cap carried forward from 2020 totaling approximately \$474 million that must be used by December 31, 2023. Including potential replacement refunding of non-AMT bonds, Issue 2023-2 is expected to mostly consist of non-AMT bonds, given the amount of 2020 carry forward volume cap that will expire if not used. In addition to non-AMT bonds to fund THDA's qualified loan production, the structure will be evaluated as to whether it would be advantageous to include taxable bonds to fund THDA's non-qualified conventional loans. THDA currently sells all its non-qualified loan production into the to-be-announced ("TBA") market. However, prices for loans in the TBA market have been drastically affected by the rise in rates and the Federal Reserve's reduction of its mortgage-backed security holdings. Funding non-qualified loans with taxable bonds could allow THDA to significantly lower non-qualified mortgage loan rates for non-first-time homebuyers. We plan to explore the possibility of including taxable bonds in the Issue 2023-2 structure, as we are with the Issue 2023-1 transaction.

Based on current market conditions and investor appetite, structuring Issue 2023-2 to include planned amortization class bonds ("PACs") to be sold at a premium would significantly lower the issue's bond yield. PACs are often priced at a premium and most frequently designed with an expected five-year average life, assuming future prepayment speeds over a broad range. Prepayments up to 100% PSA would be directed first to redeeming the PACs until they are completely retired. Due to the projected short and stable average life and the high coupon on the PACs, institutional investors accept much lower yields than for conventional term bonds with the same maturity.

A possible concern with the use of PACs is that actual prepayments could occur at a sustained speed slower than 100% PSA, causing the PACs to remain outstanding longer than projected and potentially extending the period during which THDA would pay the high coupon on these bonds. However, THDA's average historical prepayment speeds have exceeded 150% PSA, though recent prepayment speeds have dipped closer to 100% PSA. If actual sustained prepayment speeds are less than 100% PSA, THDA could choose to redeem the PACs up to 100% PSA experience with other available funds to maintain the short average life of the PACs.

Three alternative bond structures are shown in Exhibit A and summarized below. In each case after calculating an estimated bond yield, the spread for tax compliance purposes between the mortgage loan yield and the bond yield was determined. Then, the amount of zero participation loans needed to achieve a tax-exempt yield spread of 1.125% was computed, based on current bond market interest rates and THDA's mortgage rates.

- **Scenario 1** shows a level-debt issue with no PAC bonds and a tax-exempt yield spread of 1.156%. \$2.89 million of zero participation loans would be created to bring the issue down to 1.125% spread.
- **Scenario 2** includes PAC bonds, with the PAC bond repayments spread throughout the overall maturity structure of the issue. The lower yield on the PAC reduces the overall bond yield by approximately 0.11%. This results in an aggregate yield spread of 1.270%. \$6.645 million of zero participation loans would be created to bring the issue down to 1.125% spread.
- **Scenario 3** also includes PAC bonds, but with the scheduled PAC repayments fully back-loaded within the overall maturity structure of the issue. Compared to Scenario 2, this lowers the overall bond yield by 0.07%. This results in an aggregate yield spread of 1.343%. \$9.145 million of zero participation loans would be created to bring the issue down to 1.125% spread.

Each of the scenarios summarized above and listed in Exhibit A assumes mortgage rates of 5.875% and 5.375%, respectively, for future Great Choice and Homeownership for the Brave loan originations, without funding any existing pipeline of loans at past rates. Throughout 2022, both bond rates and mortgage rates increased quite rapidly and remain subject to additional adjustments until the pricing date of the bonds and beyond. For these preliminary scenarios, we have not shown any premium non-callable serial bonds, however we will evaluate their benefits in subsequent analysis.

With short-term rates much higher than in recent years past, there is a potential opportunity to include a short-term tax-exempt bond whose proceeds would be invested at reinvestment rates higher than the rate on the tax-exempt bond issued. Several housing finance agencies have included such a short-term bond in their bond structure to take advantage of higher taxable reinvestment rates than short-term tax-exempt bond rates, allowing the issuer to earn some investment income while such bond is outstanding. This opportunity may or may not be available when THDA looks to price its Issue 2023-2 bonds, but we've included sufficient authority (\$250 million) to potentially include such a short-term bond. This approach will be evaluated closer to the time when the Issue 2023-2 bonds are scheduled to price to determine the current market benefits and whether advantageous to include in the transaction.

THDA has approximately \$93 million in zeros that can be used to subsidize new bond issues, such as Issue 2023-2. The amount of zero participation loans that THDA accumulated helps mitigate for THDA the risk of higher bond rates on future transactions, particularly with fewer economic refunding opportunities over the next few years than in the recent past as well as higher current interest rates that could reduce the attractiveness of economic refunding opportunities.

As the financing is developed, production needs will be refined, and as the proposed pricing date approaches, CSG will continue to evaluate the benefits of including PACs and other premium or discount bonds, or super-sinker bonds, to assess if further refinement of the structure could offer improvement in the pricing of Issue 2023-2.

Issuing the Issue 2023-2 Bonds under the 2013 General Resolution avoids a state moral obligation pledge on the bonds.

### **Method of Sale**

In the current market for housing bonds THDA will continue to benefit from offering its bonds via negotiated sale, rather than by competitive bid. Factors favoring a negotiated sale include:

**Retail Sales / In-State Selling Group** – THDA has enjoyed strong demand for its bonds among Tennessee retail investors with retail buyers often helping to set prices for institutions. Underwriting syndicate members with strong in-state marketing and distribution networks for bonds to retail investors have been an important component of support for THDA's issues. Bonds not subject to the AMT have been and are

expected to continue to appeal to retail investors. The presence of selling group members, who only earn a fee on bonds they sell, helps assure that competitive forces work in THDA's interest during a negotiated sale. When housing bonds are sold via competitive bid, the winning bidder has little time or incentive to market bonds to retail investors or to involve smaller Tennessee-based broker-dealers. THDA's practice of elevating a top-performing member of the selling group to co-manager status on the next offering has reinforced retail support.

Market Volatility – A competitively bid bond issue requires that the timing and, to a significant extent, the final bond structure be established well in advance of the bid date. Continued market volatility makes it unlikely THDA could structure its bonds to obtain the lowest possible cost of debt in advance of pricing. A negotiated sale provides flexibility to price on shorter notice, to adjust the bond structure through the pricing period in response to market factors and investor indications, or to delay or accelerate the pricing as conditions warrant.

Complexity and Credit – While investors are familiar with bonds issued by housing finance agencies, a negotiated sale provides greater opportunity to communicate with investors about the more complex structure, program experience, and the credit features of THDA's bonds.

Bond Structure – Though Issue 2023-2 is expected to be relatively straightforward for a traditional housing bond, it may be desirable to make changes to the structure close to the time of the bond sale in order to cater to the interests of certain investors, such as those interested in the PACs, to add additional maturities or features, or to use bonds priced at a premium or discount (such as lockout premium serial bonds as recently utilized). A negotiated sale facilitates greater flexibility to make structural changes, as reflected in a number of THDA's offerings in which negotiated long-dated serial bonds allowed THDA to realize savings versus the higher cost of an intermediate term bond.

Pricing Oversight – THDA's policies and practices for negotiated bond sales – including the review of co-manager price views, consensus scales, comparable pricings, historic and current spreads, other current market data, and concurrent monitoring by the Division of State Government Finance and CSG – provide THDA with the basis for confirming that its bonds are priced fairly at time of sale. In advance of the offering CSG also provides a pre-pricing memo with information related to general bond market conditions, the housing bond market, and projected interest rate levels based on recent housing bond issues, previous THDA offerings, and pending statistical releases. To manage incentives for the syndicate members and investors, CSG also advises on syndicate rules and procedures, proposed holdbacks of specific maturities, and allotments of bonds.

### **Current Market Conditions**

While economic news throughout 2022 was largely dominated by escalating inflation and concerns about the Federal Reserve's efforts to reduce inflation, the data releases so far in 2023 reflect some progress in slowing inflation, but not enough to arrive at the 2% inflation target set by the Federal Reserve. Economic data such as CPI released in January reflected progress in slowing inflation, but economic data releases in February (non-farm payroll, personal consumption expenditures index, and CPI) were all higher than expected and reflect that inflation is proving stickier than investors had hoped. After declining in January (10-year US Treasury declined to a 3.40%), interest rates since have moved sharply higher across the yield curve (1-year UST crossed 4.00% on March 1st).

To combat inflation, the Federal Reserve increased the federal funds rate a total of seven times throughout 2022 for a total of 4.25%, including by 75 bps (the largest single-meeting hikes in decades) in June, July, September, and November. Following a 25-bp rate hike at the Fed's early February meeting, the consensus expectation is for another 25-bp hike in March. As important as these increases in the short-term federal

funds rate are, the Fed's reduction of its balance sheet holdings of US Treasuries and MBS caused additional upward pressure on long-term rates through much of 2022—though such rates have declined since November as investors anticipate inflation and overall economic demand to decline faster than Fed forecasts.

## Recommendations

CSG Advisors recommends that the THDA Board of Directors and THDA Bond Finance Committee:

- Authorize the sale and issuance of Residential Finance Program Bonds, Issue 2023-2, with a par amount not to exceed \$250 million;
- Delegate to the Authorizing Officer authority to:
  - Establish the principal amount of Issue 2023-2;
  - Establish the structure, sub-series and pricing schedule of Issue 2023-2, including:
    - a. the potential issuance of taxable bonds to fund THDA's non-qualified loan production,
    - b. a short-term tax-exempt series of bonds to reinvestment at rates that generate positive investment income to THDA;
  - Approve fixed-rate serial and term bonds in any combination with maturities no longer than 32 years; and
  - Refund any combination of bonds that are optionally callable, based upon projected benefits under market conditions at the time of sale.
- Based on current market conditions and for the reasons described above, authorize Issue 2023-2 via a negotiated sale; and
- Select RBC Capital Markets to serve as book-running senior manager for Issue 2023-2, in view of the continuing value they have provided as a member of THDA's underwriting syndicate. (See our Underwriter Recommendation Memo for additional information.)

**EXHIBIT A:  
PRELIMINARY STRUCTURING ANALYSIS**



## EXHIBIT A: STRUCTURING SCENARIOS

Tennessee Housing Development Agency Issue 2023-2

As of 3/3/23, for Bond Authorization Recommendation Memo

		1		2		3	
				<b>PAC</b>			
		<b>No</b>		<b>Throughout</b>		<b>PAC Fully</b>	
Key Structuring Variables		<b>PAC</b>		<b>Maturity</b>		<b>Backloaded</b>	
		<b>Schedule</b>		<b>Schedule</b>		<b>Schedule</b>	
Great Choice Loan Rate		5.875%		5.875%		5.875%	
Including PAC Bonds		No		Yes		Yes	
PAC Bond Maturity Years		N/A		2024 - 2054		2049 - 2054	
<b>Bond Series and Amounts</b>							
New Money	Non-AMT	200,000,000		200,000,000		200,000,000	
<b>Bond Structure (at full yield spread)</b>							
Non-AMT	Coupon / Yield						
Par Serials	3.300% - 4.100%	51,360,000	26%	35,595,000	18%	49,810,000	25%
7/1/2038 Term	4.500%	16,815,000	8%	11,645,000	6%	16,295,000	8%
7/1/2043 Term	4.800%	33,760,000	17%	23,390,000	12%	32,720,000	16%
7/1/2048 Term	5.000%	42,980,000	21%	29,795,000	15%	41,665,000	21%
7/1/2053 Term	5.050%	55,085,000	28%	38,185,000	19%	8,640,000	4%
1/1/2054 PAC Term	5.50% / 4.05%	-	0%	61,390,000	31%	50,870,000	25%
Total		200,000,000	100%	200,000,000	100%	200,000,000	100%
<b>Yields If No Loan Participations In or Out</b>							
Mortgage Yield		5.912%		5.912%		5.912%	
Bond Yield		4.756%		4.641%		4.568%	
Yield Spread		1.156%		1.270%		1.343%	
<b>GC Loan Rate to Achieve 1.125% Yield Spread</b>							
		5.85%		5.73%		5.65%	
<b>Loan Particip. to Achieve 1.125% Yield Spread</b>							
0% Loans (Consumed) from Past Issues		(45,190,000)		(45,190,000)		(45,190,000)	
0% Loans Created from 2023-2		48,080,000		51,835,000		54,335,000	
Net Zero Percent Loans (Consumed) / Created		2,890,000		6,645,000		9,145,000	
<b>New Volume Cap Needed</b>							
2023-2 (Non-AMT)		200,000,000		200,000,000		200,000,000	
Plus PAC Premium		-		3,936,941		3,269,924	
Total		200,000,000		203,936,941		203,269,924	
<b>Added Ratings Stress from Backloaded PAC</b>							
		Not applicable		Not applicable		19,920,000	

**MEMORANDUM**

**TO:** THDA Bond Finance Committee, Division of State Government Finance, and THDA

**FROM:** David Jones, Tim Rittenhouse, and Eric Olson

**SUBJECT:** Underwriter Recommendation  
Residential Finance Program Bonds, Issue 2023-2

**DATE:** March 6, 2023

**Background**

In January 2018, THDA’s Bond Finance Committee selected the current underwriting team consisting of co-senior managers Citigroup, Raymond James, and RBC; co-managers JP Morgan and Wells Fargo, with a third co-manager position to be filled by a selling group member based on performance on THDA’s prior bond issue. In October 2020, the Bond Finance Committee extended the team’s term through calendar year 2021, and to accommodate the current underwriter selections, the recent underwriting team is expected to be used for Issue 2023-2.

The purpose of this memo is to recommend firms to serve on THDA’s Issue 2023-2 as:

1. book-running senior manager; and
2. elevated selling group member.

**1. Book-Running Senior Manager**

Table 1 shows the firms that served as book-running senior managers on THDA’s recent bond issues.

**TABLE 1: BOOK-RUNNING SENIOR MANAGERS, RECENT THDA BOND ISSUES**

<b>Bond Issue</b>	<b>Par Amount of Bonds Issued</b>	<b>Book-Running Senior Manager</b>
2020-1	\$ 200,000,000	Citigroup Global Markets
2020-2	108,500,000	Raymond James
2020-3	145,000,000	RBC Capital Markets
2020-4	145,000,000	Citigroup Global Markets
2021-1	149,990,000	Raymond James
2021-2	99,990,000	RBC Capital Markets
2021-3	170,000,000	Citigroup Global Markets
2022-1	175,000,000	Raymond James
2022-2	149,990,000	RBC Capital Markets
2022-3	160,000,000	Citigroup Global Markets
2023-1	TBD	Raymond James

Rather than select the book-running senior manager based on a fixed rotation, following the 2018 underwriter selection by the Bond Finance Committee, the book-running senior manager is selected from among the two firms who did not serve as the senior book-running manager on the last bond issue, based on criteria as determined by the Bond Finance Committee in consultation with the Comptroller's Office and CSG. As always, the Bond Finance Committee reserves the right to adjust the rotation or the factors to be considered at any time and for any reason. Measures of a senior manager's performance include, but are not limited to, the following:

- Bond distribution performance,
- Pricing aggressiveness,
- Ultimate execution of the sale,
- Flexibility,
- Ability to attract new investors,
- Secondary market support,
- Idea generation,
- Syndicate management,
- Willingness to underwrite unsold bonds,
- Offering of additional credit resources (lines of credit, etc.)

RBC Capital Markets continues to perform very well when selected as the bookrunning senior manager, evidenced by aggressive pricing of Issue 2022-2, the last issue RBC senior managed for THDA. When leading prior issues, the firm has shown a willingness to work the order book diligently, price bonds aggressively, and underwrite unsold bonds when necessary. In recent months, RBC has continued to successfully manage and achieve good pricing results for other housing finance agencies.

In view of their continued performance, we recommend that RBC serve as book-running senior manager for Issue 2023-2.

## **2. Elevated Selling Group Member**

Due to their performance in Issue 2022-3, Wiley Brothers - Aintree qualified to be the selling group member elevated to co-manager for THDA's Issue 2023-1 scheduled to price on March 28<sup>th</sup> and 29<sup>th</sup>. Since Issue 2023-1 hasn't priced yet, we suggest pricing the 2023-1 bonds before selecting which selling group member to elevate to co-manager status for Issue 2023-2. We will follow up with a recommendation as to elevated co-manager after pricing the 2023-1 bonds.

A summary of the orders and final allotments for each of the last three bond issues (Issue 2022-1 through Issue 2022-3) is provided as Exhibit A.

**EXHIBIT A: SUMMARY OF FINAL ORDERS AND ALLOTMENTS,  
LAST THREE BOND ISSUES**

**THDA UNDERWRITER PERFORMANCE SUMMARY – 2022-1, 2022-2, and 2022-3 (\$ thousands)**

	2022-1 (RJ lead, Baird co) 175,000		2022-2 (RBC lead, Baird co) 149,990		2022-3 (Citi lead, Wiley co) 160,000		Combined 2022-1 to 2022-3 484,990	
	Orders	Allot- ments	Orders	Allot- ments	Orders	Allot- ments	Orders	Allotments
<b>Citigroup</b>								
Tennessee Retail	375	375	1,755	1,030	10,320	5,185	12,450	6,590
National Retail	2,505	2,080	11,970	4,190	6,905	4,470	21,380	10,740
Net Designated	0	0	0	0	299,385	86,435	299,385	86,435
Member	15,000	0	0	0	0	9,955	15,000	9,955
Total	17,880	2,455	13,725	5,220	316,610	106,045	348,215	113,720
<b>Raymond James</b>								
Tennessee Retail	9,835	8,755	12,200	8,290	24,755	18,420	46,790	35,465
National Retail	7,270	5,350	9,580	850	8,740	3,280	25,590	9,480
Net Designated	356,690	151,500	14,535	3,150	8,000	1,000	379,225	155,650
Member	0	560	20,000	0	10,000	0	30,000	560
Total	373,795	166,165	56,315	12,290	51,495	22,700	481,605	201,155
<b>RBC Capital Markets</b>								
Tennessee Retail	0	0	11,920	5,375	0	0	11,920	5,375
National Retail	600	600	46,575	7,050	1,730	1,280	48,905	8,930
Net Designated	0	0	688,170	103,250	12,000	1,500	700,170	104,750
Member	31,000	0	0	0	29,560	0	60,560	0
Total	31,600	600	746,665	115,675	43,290	2,780	821,555	119,055
<b>J.P. Morgan</b>								
Tennessee Retail	0	0	800	585	780	510	1,580	1,095
National Retail	2,215	1,700	3,940	1,115	7,130	3,790	13,285	6,605
Member	8,000	0	5,000	0	3,000	0	16,000	0
Total	10,215	1,700	9,740	1,700	10,910	4,300	30,865	7,700
<b>Wells Fargo</b>								
Tennessee Retail	300	300	800	540	2,150	2,150	3,250	2,990
National Retail	1,405	1,005	2,395	905	2,375	1,740	6,175	3,650
Net Designated	0	0	10,250	1,250	0	0	10,250	1,250
Member	10,000	0	10,000	0	10,000	0	30,000	0
Total	11,705	1,305	23,445	2,695	14,525	3,890	49,675	7,890
<b>Duncan-Williams</b>								
Tennessee Retail	750	750	4,950	2,810	1,250	1,250	6,950	4,810
Total	750	750	4,950	2,810	1,250	1,250	6,950	4,810
<b>Bancroft</b>								
Total					0	0	0	0
<b>FHN Financial</b>								
Tennessee Retail	100	100	750	750	100	100	950	950
Member	0	0	4,000	0	0	0	4,000	0
Total	100	100	4,750	750	100	100	4,950	950
<b>Fifth Third</b>								
Total					0	0	0	0
<b>Robert W. Baird &amp; Co.</b>								
Tennessee Retail	1,325	1,325	3,075	2,285	10,220	6,590	14,620	10,200
National Retail	0	0	200	200	0	0	200	200
Total	1,325	1,325	3,275	2,485	10,220	6,590	14,820	10,400
<b>UBS</b>								
Tennessee Retail					200	200	200	200
National Retail					750	650	750	650
Total					950	850	950	850
<b>Wiley Bros-Aintree</b>								
Tennessee Retail	600	600	8,200	6,365	14,550	11,495	23,350	18,460
Member	0	0	0	0	8,000	0	8,000	0
Total	600	600	8,200	6,365	22,550	11,495	31,350	18,460
<b>TOTAL</b>								
Tennessee Retail	13,285	12,205	44,450	28,030	64,325	45,900	122,060	86,135
National Retail	13,995	10,735	74,660	14,310	27,630	15,210	116,285	40,255
Net Designated	356,690	151,500	712,955	107,650	319,385	88,935	1,389,030	348,085
Member	64,000	560	39,000	0	60,560	9,955	163,560	10,515
Total	447,970	175,000	871,065	149,990	471,900	160,000	1,790,935	484,990

TENNESSEE HOUSING DEVELOPMENT AGENCY  
PLAN OF FINANCING  
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE 2023-2  
March 21, 2023

Pursuant to TCA Section 13-23-120(e)(4):

AMOUNT:

The bonds may be sold in one or more series to be known as Residential Finance Program Bonds, Issue 2023-2, a portion of which may be convertible option bonds (the “Bonds”), to be issued under the General Residential Finance Program Bond Resolution adopted by THDA on January 29, 2013, as amended (the “General Resolution”).

The aggregate principal amount of the Bonds shall not exceed \$250,000,000. The actual aggregate principal amount shall be determined by the Authorized Officer appointed by the THDA Board of Directors (the “Authorized Officer”) upon the recommendation of the Financial Advisor, Executive Director, Assistant Secretary of the Bond Finance Committee and approved by THDA’s Bond Counsel and may take into account the following limitations and other factors:

- (1) the amount of Bonds which may be issued pursuant to the Act and the total amount of bonds outstanding under the General Resolution; and
- (2) the amount of Bonds which may be issued to refund bonds or notes outstanding under the General Resolution, the 2013 General Resolution, the General Homeownership Program Bond Resolution (the “1985 Resolution”); or under the General Housing Finance Resolution (the “2009 Resolution”) to provide economic savings, preservation of volume cap, additional opportunities for interest rate subsidies with respect to THDA Program Loans or as a result of prepayments, proceeds on hand, excess revenues, or maturing principal; and
- (3) the amount of Bonds that may be issued, the proceeds of which are necessary to reimburse THDA for Program Loans financed from available THDA funds prior to the availability of proceeds from the Bonds; and
- (4) the amount of Bonds which may be issued, the proceeds of which are necessary to meet demand for Program Loans; and
- (5) the availability of THDA’s funds, subject to the review of the Authorized Officer, for the purpose of providing for the payment of the costs of issuance of the Bonds, paying capitalized interest with respect to the Bonds, funding the Bond Reserve Fund, providing additional security for the Bonds, and achieving a lower rate of interest on the Program Loans; and
- (6) the amount of resources (loans and cash) available under the 1985 General Resolution to over collateralize the Bonds, if needed, to improve yield, reduce the amount of other subsidies and to increase the program asset debt ratio under the General Resolution.

APPLICATION  
OF PROCEEDS:

Proceeds of the Bonds will be applied to (i) redemption and payment at maturity of certain of THDA's bonds or notes outstanding under the General Resolution, the 1985 Resolution, the 2009 Resolution and/or the 2013 General Resolution; (ii) finance Program Loans by the direct purchase thereof; or (ii) the purchase of Program Securities which consist of a pool of Program Loans made by THDA

While any convertible option bonds are outstanding bearing a short term interest rate (fixed or variable), proceeds of such bonds shall be held in the related subaccounts of the Loan Fund and invested in Investment Securities pursuant to the terms of the Supplemental Resolution.

Allocation of the above deposits of proceeds is estimated to be as follows:

- 90% for single-family first lien mortgage loans (or Program Securities consisting of first lien mortgage loans), refinancing outstanding bonds;
- 8% for bond reserve;
- 1% for capitalized interest; and
- 1% for cost of issuance and underwriter's discount/fee.

DATE, METHOD AND  
TERMS OF SALE:

The sale of the Bonds will take place by competitive or negotiated sale, including private placement, and will occur no later than September 30, 2023. THDA will prepare for the sale with the aid of its financial advisor, CSG Advisors Incorporated, and its bond counsel, Kutak Rock.

MATURITIES:

The Bonds may be any combination of tax-exempt and/or taxable long and/or short term serial, term, convertible option, and/or discounted or premium bonds as may be determined by the Authorized Officer. The Bonds shall have a maturity not to exceed 34 years from the date of original issuance.

BOND INTEREST RATES:

The interest rate on any portion of Bonds issued as convertible option bonds may be fixed or variable for a period of no more than thirteen (13) months beginning on the date of issuance of such Bonds and ending on a tender date, at which time the interest rate may be reset to a long term fixed rate or to a short term rate for another period not to exceed thirteen (13) months. The interest rates on the remainder of the Bonds shall be fixed long term rates and shall not result in a net interest cost in excess of 9% per annum.

REDEMPTION TERMS:

The Bonds may be subject to redemption prior to maturity on such terms as are to be determined by the Authorized Officer.

**LOAN INTEREST RATES AND  
COST OF ADMINISTRATION:**

Unless otherwise permitted under the Internal Revenue Code, the blended effective interest rate on Program Loans financed with proceeds of tax-exempt Bonds (including any transferred loans upon the refunding of any outstanding bonds) will not exceed 112.5 basis points over the yield on such tax-exempt bonds, as calculated in accordance with the Internal Revenue Code, from which all of THDA's costs of administration for the Bonds may be paid. The minimum spread necessary to finance the Issue 2023-2 Program Loans may be as low as 60 basis points.



RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY  
AUTHORIZING THE ISSUANCE AND SALE OF  
RESIDENTIAL FINANCE PROGRAM BONDS, ISSUE 2023-2  
March 21, 2023

WHEREAS, pursuant to the Tennessee Housing Development Agency Act (the “Act”), the Bond Finance Committee of the THDA Board of Directors (the “Committee”), on March 21, 2023, approved a plan of financing for Residential Finance Program Bonds, Issue 2023-2 (the “Bonds”) in an aggregate par amount not to exceed \$250,000,000 (the “Plan of Financing”); and

WHEREAS, the Plan of Financing provides for the Bonds to be issued as additional series of long term and/or short term tax-exempt and/or taxable bonds, with fixed interest rates, under the General Residential Finance Program Bond Resolution adopted by THDA on January 29, 2013, as amended (the “General Resolution”) and to be sold by competitive or negotiated sale, all at the election of the Authorized Officer; and

WHEREAS, THDA on January 24, 2023, adopted a Housing Cost Index, as defined in Section 13-23-103(7) of the Act, which shows that, as of January 24, 2023, primary housing costs exceed 25% of an average Tennessee household’s gross monthly income; and

WHEREAS, pursuant to Section 147 of the Internal Revenue Code of 1986, as amended (the “Code”), THDA must conduct a public hearing regarding the issuance of the Bonds and submit the results of the public hearing to the Governor of the State of Tennessee for approval; and

WHEREAS, THDA proposes to distribute a preliminary official statement (the “Preliminary Official Statement”) to prospective purchasers and has proposed to make available to the respective purchasers a final official statement (the “Official Statement”) with respect to the Bonds; and

WHEREAS, the Board wishes to authorize the Authorized Officer to proceed with the issuance and sale of the Bonds to provide funds for THDA’s programs in accordance with the Plan of Financing and this Resolution.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY AS FOLLOWS:

1. The Secretary of the Committee, or in the absence of the Secretary of the Committee, an officer designated by the Secretary of the Committee is appointed as the authorized officer (the “Authorized Officer”) and is authorized to sell the Bonds and to fix the details of the Bonds in accordance with the Plan of Financing and this Resolution.

2. The issuance and sale of the Bonds, in an aggregate par amount not to exceed \$250,000,000, with the final terms, all as determined by the Authorized Officer pursuant to the Plan of Financing and upon the recommendation of THDA’s Financial Advisor, and the Executive Director, with the approval of THDA’s Bond Counsel, is hereby authorized.

3. The resolution titled “A Supplemental Resolution Authorizing the Sale of Residential Finance Program Bonds, \$ \_\_\_\_\_ Issue 2023-2A” (Non-AMT), \$ \_\_\_\_\_ Issue 2023-2B (Non-AMT) and \$ \_\_\_\_\_ Issue 2023-2C (Federally Taxable), (the “Supplemental Resolution”), in the form attached hereto, is adopted, subject to the provisions contained herein.

4. THDA is authorized and directed to conduct a public hearing prior to the issuance of the tax-exempt Bonds, to the extent required by the Code, with reasonable public notice and to submit the results of the public hearing to the Governor to obtain the Governor’s written approval.

5. The Authorized Officer is authorized to (a) select the manner of sale; (b) designate multiple series or sub-series, as needed; (c) designate AMT, non-AMT or taxable components; (d) designate fixed interest rates; (e) approve a final structure for the Bonds; (f) approve a final principal amount or amounts, not to exceed a par amount of \$250,000,000; (g) authorize bond insurance, if determined necessary; (h) determine

all other final terms of the Bonds, in accordance with this Resolution, the Plan of Financing and the Supplemental Resolution; (i) approve the final version of the Supplemental Resolution, with such additional changes, substitutions, deletions, additions, completions or amendments therein as determined by the Authorized Officer, upon the recommendation of the Executive Director with the approval of Chief Legal Counsel of THDA and Bond Counsel, as the Authorized Officer shall determine to be necessary or appropriate to establish the final terms of the Bonds and their manner of sale; (j) select the senior bookrunning manager and the rotating co-manager upon the recommendation of the Financial Advisor and THDA staff; and (k) award the Bonds in accordance therewith. At the discretion of the Authorized Officer, the Bonds may include new volume cap and any combination of amounts needed to refund all or any part of bonds or notes outstanding under the General Resolution, under the General Homeownership Program Bond Resolution or under the General Housing Finance Resolution, including, without limitation, to produce proceeds for new mortgage loans or to produce economic savings or opportunities for interest rate subsidies. In addition, the Authorized Officer, at their discretion, may elect to transfer resources from the General Homeownership Program Bond Resolution and/or the General Housing Finance Resolution to the General Resolution in connection with the issuance of the Bonds upon recommendation of the Executive Director or Secretary of the Committee with the approval of Bond Counsel, Financial Advisor and Chief Legal Counsel.

6. The Assistant Secretary of the Committee, with the assistance of Bond Counsel, the Financial Advisor, and the Executive Director and Chief Legal Counsel of THDA, is authorized to prepare a Preliminary Official Statement and a final Official Statement for printing and distribution in connection with the issuance and sale of the Bonds.

7. The Assistant Secretary of the Committee, with the assistance of Bond Counsel and the Executive Director and Chief Legal Counsel of THDA, is authorized to prepare all documents determined to be necessary or appropriate for the competitive sale of all or any portion of the Bonds or all documents, including, without limitation, a purchase agreement or purchase agreements in a form appropriate for a negotiated sale, including a private placement, of all or any portion of the Bonds, as determined to be necessary or appropriate, for a negotiated sale of all or any portion of the Bonds.

8. The Authorized Officer is hereby authorized to execute (i) the proposal submitted by the lowest bidder or bidders in the event of a competitive sale of all or any portion of the Bonds or (ii) purchase agreements in the event of a negotiated sale, including a private placement, of all or any portion of the Bonds, the form of which has been approved by the Authorized Officer, upon the recommendation of the Financial Advisor and Bond Counsel, and (iii) to deliver the Bonds as appropriate.

9. The Authorized Officer, and the Chair, the Vice-Chair, the Executive Director, the Director of Finance and the Chief Legal Counsel of THDA and other appropriate officers and employees of THDA are hereby authorized to do and perform or cause to be done and performed, for or on behalf of THDA, all acts and things (including, without limitation, execution and delivery of documents) that constitute conditions precedent to the issuance and sale of the Bonds or that are otherwise required to be done and performed by or on behalf of THDA prior to or simultaneously with the issuance and sale of the Bonds.

10. Capitalized terms not otherwise defined herein shall have the same meaning as set forth in the Supplemental Resolution, as the context indicates.

11. This resolution shall take effect immediately.

This Resolution was adopted by the affirmative vote of no fewer than eight (8) members of the THDA Board of Directors at its meeting on March 21, 2023.

---

**TENNESSEE HOUSING DEVELOPMENT AGENCY**

---

**A Supplemental Resolution**

**Authorizing the Sale of**

**Residential Finance Program Bonds**

**\$ \_\_\_\_\_ Issue 2023-2A (Non-AMT)**

**\$ \_\_\_\_\_ Issue 2023-2B (Non-AMT)**

**\$ \_\_\_\_\_ Issue 2023-2C (Federally Taxable)**

---

Adopted March 21, 2023  
as approved in its amended and supplemented form  
by its Designated Authorized Officer  
on \_\_\_\_\_, 2023

---

ARTICLE I  
DEFINITIONS AND AUTHORITY

Section 1.01.	Short Title .....	1
Section 1.02.	Definitions.....	1
Section 1.03.	Authority for this Resolution .....	3

ARTICLE II  
TERMS AND ISSUANCE

Section 2.01.	Issue Amount and Designation .....	4
Section 2.02.	Purposes .....	4
Section 2.03.	Amounts, Maturities and Interest Rates.....	4
Section 2.04.	Denominations, Numbers and Letters.....	5
Section 2.05.	Paying Agent.....	6
Section 2.06.	Execution of Bonds.....	6
Section 2.07.	Place of Payment; Record Date .....	6
Section 2.08.	Sinking Fund Redemption Provisions .....	6
Section 2.09.	Optional Redemption .....	7
Section 2.10.	Special Optional Redemption .....	8
Section 2.11.	Special Mandatory Redemptions .....	9
Section 2.12.	Selection by Lot .....	11
Section 2.13.	Purchase of Bonds by THDA or Trustee .....	11

ARTICLE III  
SALE AND DELIVERY

Section 3.01.	Sale.....	11
---------------	-----------	----

ARTICLE IV  
DISPOSITION OF PROCEEDS AND OTHER MONEYS

Section 4.01.	Loan Fund; Bond Reserve Fund Requirement.....	12
Section 4.02.	Proceeds of Issue 2023-2A Bonds and Issue 2023-2B Bonds .....	12
Section 4.03.	Program Loan Determinations.....	13

ARTICLE V  
FORM OF BONDS, AND TRUSTEE’S CERTIFICATE OF AUTHENTICATION

Section 5.01.	Form of Bonds .....	14
Section 5.02.	Form of Trustee’s and Authenticating Agent’s Certificate of Authentication.....	14

ARTICLE VI  
MISCELLANEOUS

Section 6.01.	No Recourse Against Members or Other Persons .....	14
---------------	--	----

Section 6.02.	Bonds not Debt, Liability or Obligation of the State or the United States of America.....	14
Section 6.03.	Delivery of Projected Cash Flow Statements .....	15
Section 6.04.	Authorized Officers .....	15
Section 6.05.	Authorized Trustee.....	15
Section 6.06.	Covenant to Comply with Federal Tax Law Requirements.....	15
Section 6.07.	Continuing Disclosure Undertaking .....	15
Section 6.08.	Confirmation and Adjustment of Terms by Designated Authorized Officer .....	18
Section 6.09.	Effective Date .....	19
EXHIBIT A	FORM OF BOND PURCHASE AGREEMENTS	
EXHIBIT B	[PLANNED AMORTIZATION AMOUNTS FOR PAC BONDS AND 400% PSA PREPAYMENT AMOUNT TABLE]	
EXHIBIT C	FORM OF BOND	
EXHIBIT D	[REFUNDED BONDS]	

**A SUPPLEMENTAL RESOLUTION AUTHORIZING THE SALE OF**  
**RESIDENTIAL FINANCE PROGRAM BONDS**  
**\$ \_\_\_\_\_ ISSUE 2023-2A (Non-AMT)**  
**\$ \_\_\_\_\_ ISSUE 2023-2B (Non-AMT)**  
**\$ \_\_\_\_\_ ISSUE 2023-2C (Federally Taxable)**

BE IT RESOLVED by the Board of Directors of the **TENNESSEE HOUSING DEVELOPMENT AGENCY** (“THDA”) as follows:

**ARTICLE I**

**DEFINITIONS AND AUTHORITY**

**Section 1.01. Short Title.** This resolution may hereafter be cited by THDA as the Issue 2023-2 Supplemental Residential Finance Program Bond Resolution.

**Section 1.02. Definitions.**

(a) All terms which are defined in Section 1.2 of the resolution of THDA adopted January 29, 2013, as amended and supplemented by the Bond Finance Committee on April 18, 2013, and entitled “General Residential Finance Program Bond Resolution” (the “General Resolution”) have the same meanings in this Resolution as such terms are given in Section 1.2 of the General Resolution.

(b) In addition, as used in this Resolution, unless the context otherwise requires, the following terms have the following respective meanings:

    [“*400% PSA Prepayment Amount*” means the cumulative amount of principal prepayments on the Program Loans allocable to the Issue 2023-2A Bonds or a particular Subseries of Long Term Rate Bonds (including Program Securities [and the Transferred Program Loans]) at a rate equal to 400% PSA, as set forth in Exhibit B hereto.]

    “*Bond Amortization Schedule*” shall mean the schedule of principal maturities and sinking fund installments with respect to the 2023-2B Bonds upon conversion of the interest rate thereon to Long Term Rates which schedule shall provide for substantially level debt service determined by the (i) scheduled repayments (net of servicing fees) of Program Loans to be made from bond proceeds, (ii) interest income and scheduled reductions of the Bond Reserve Fund, (iii) interest income from the Revenue Fund and (iv) payment of Trustee fees.

    “*Bond Purchase Agreement*” means, collectively, the Issue 2023-2AC Bond Purchase Agreement and the Issue 2023-2B Bond Purchase Agreement.

    “*Business Day*” shall mean any day except for a Saturday, Sunday or any day on which banks in Tennessee or New York are required or authorized to be closed.

“*Co-Managers*” means [J.P. Morgan Securities LLC, Wells Fargo Bank, National Association and [\_\_\_\_\_]].

“*Code*” shall mean the Internal Revenue Code of 1986, as amended.

“*Convertible Bonds*” shall mean all Issue 2023-2B Bonds, with respect to which THDA has not yet exercised its Long Term Option.

“*Designated Authorized Officer*” means the Secretary of the Bond Finance Committee or, in the absence of the Secretary of the Bond Finance Committee, an officer designated by the Secretary of the Bond Finance Committee.

“*DTC*” means The Depository Trust Company, New York, New York, a limited-purpose trust company organized under the laws of the State of New York, and its successors and assigns.

“*Election Certificate*” shall mean a Certificate of an Authorized Officer delivered on an Election Date pursuant to Section 3.02 hereof.

“*Election Date*” shall mean any date on which THDA is required to elect in accordance with Section 3.02 hereof the Short Term Option, the Long Term Option or the Redemption Option with respect to any outstanding Convertible Bonds. Such election must occur on or prior to the 10th day next preceding any Tender Date.

“*Excess 2023-2 Principal Payments*” means, as of any date of computation, 100% of all regularly scheduled principal payments and prepayments on Program Loans, or portions thereof, allocable to the Issue 2023-2 Bonds or a Subseries of Long Term Rate Bonds (including Program Securities [and the Transferred Program Loans][allocable to such Long Term Rate Bonds]) to the extent such regularly scheduled principal payments and prepayments are not required to make regularly scheduled principal payments, including Sinking Fund Payments, on the [Issue 2023-2 Bonds][such Long Term Rate Bonds].

“*Issue 2023-2 Bonds*” means, together, the Issue 2023-2A Bonds and the Issue 2023-2B Bonds.

“*Issue 2023-2A Bonds*” means the Issue 2023-2A Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

[“*Issue 2023-2A PAC Bonds*” means the Issue 2023-2A Bonds in the aggregate principal amount of \$\_\_\_\_\_ maturity on \_\_\_\_\_.]

[“*Issue 2023-2A PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2023-2A PAC Bonds expected to be redeemed upon the receipt of Excess 2023-2 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2023-2A Serial Bonds*” means the Issue 2023-2A Bonds which are not Issue 2023-2A Term Bonds.

“*Issue 2023-2A Term Bonds*” means, collectively, the Issue 2023-2A Bonds maturing [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_].

“*Issue 2023-2AC Bond Purchase Agreement*” means the contract for the purchase of the Issue 2023-2A Bonds and the Issue 2023-2C Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.

[“*Issue 2023-2B Bond Purchase Agreement*” means the contract for the purchase of the Issue 2023-2B Bonds between THDA and the Underwriters, in substantially the form attached hereto as Exhibit A.]

“*Issue 2023-2B Bonds*” means the Issue 2023-2B Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing, which Issue 2023-2B Bonds shall include the Convertible Bonds and the Long Term Rate Bonds of such Series.

[“*Issue 2023-2B PAC Bonds*” means, if so designated in an Election Certificate on any Election Date, the last Term Bond of any Subseries of Long Term Rate.]

[“*Issue 2023-2B PAC Bonds Planned Amortization Amount*” means the cumulative amount relating to a Subseries of Long Term Rate Bonds expected to be redeemed upon the receipt of Excess 2023-2 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2023-2B Serial Bonds*” means the Issue 2023-2B Bonds which are not Term Bonds.

“*Issue 2023-2B Tender Date*” shall mean (i) the initial Tender Date for 100% of the Issue 2023-2B Convertible Bonds of [\_\_\_\_\_] , unless THDA designates a Business Day occurring on or after [\_\_\_\_\_], as the initial Tender Date for all or a portion of the Issue 2023-2B Convertible Bonds in accordance with Section 3.01 and, if applicable, (ii) the Tender Dates thereafter for any Issue 2023-2B Bonds shall be any Business Day occurring on or before [\_\_\_\_\_], as designated by THDA in accordance with Section 3.01; provided, that Long Term Rate Bonds shall not be subject to mandatory tender on any Tender Date and provided further that the last Issue 2023-2B Tender Date shall be [\_\_\_\_\_], if there are any Issue 2023-2B Convertible Bonds outstanding on such date.

“*Issue 2023-2B Term Bonds*” means, subsequent to the conversion of the interest rate thereon to Long Term Rates, collectively, the Issue 2023-2B Bonds maturing [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_].

“*Issue 2023-2C Bonds*” means the Issue 2023-2C Bonds of THDA authorized by this Resolution pursuant to the Plan of Financing.

[“*Issue 2023-2C PAC Bonds*” means the Issue 2023-2C Bonds in the aggregate principal amount of \$\_\_\_\_\_ maturity on \_\_\_\_\_.]



[“*Issue 2023-2C PAC Bonds Planned Amortization Amount*” means the cumulative amount of Issue 2023-2C PAC Bonds expected to be redeemed upon the receipt of Excess 2023-2 Principal Payments at a rate equal to [100]% PSA, as set forth in Exhibit B hereto.]

“*Issue 2023-2C Serial Bonds*” means the Issue 2023-2C Bonds which are not Term Bonds.

“*Issue 2023-2C Term Bonds*” means, collectively, the Issue 2023-2C Bonds maturing [\_\_\_\_\_, \_\_\_\_\_, and \_\_\_\_\_].

“*Issue Date*” means the date on which the Issue 2023-2 Bonds are issued by THDA and delivered to the Underwriters, expected to occur on [\_\_\_\_\_] , 2023.

“*Long Term Option*” shall have the meaning set forth in Section 3.02(a) hereof.

“*Long Term Rate*” shall have the meaning set forth in Section 3.02(a) hereof.

“*Long Term Rate Bonds*” shall mean all Issue 2023-2B Bonds for which the Long Term Option has been exercised, which Bonds bear interest at fixed interest rates to their maturity or prior redemption.

“*MSRB*” means the Municipal Securities Rulemaking Board by operation of its Electronic Municipal Market Access System.

“*Official Statement*” means the Official Statement dated [\_\_\_\_\_] , 2023 used in connection with the sale of the Issue 2023-2 Bonds.

“*Notification Date*” shall mean any date on which the Trustee is required to send a Tender Notice to owners of Convertible Bonds in accordance with Section 3.03 hereof. Such Tender Notice must be sent on or prior to the 15th day next preceding a Tender Date.

[“*PAC Bonds*” means, collectively, the Issue 2023-2A PAC Bonds, the Issue 2023-2B PAC Bonds and the Issuer 2023-2C PAC Bonds.]

[“*PAC Bonds Planned Amortization Amount*” means, collectively, the Issue 2023-2A Planned Amortization Amount, the Issue 2023-2B Planned Amortization Amount, and the Issue 2023-2C Planned Amortization Amount.]

“*Preliminary Official Statement*” means the Preliminary Official Statement dated [\_\_\_\_\_] , 2023 used in connection with the offering of the Issue 2023-2 Bonds.

“*Rating Agency*” shall mean Moody’s Investors Service, Inc. (or any successor thereto), and Standard & Poor’s Ratings Services, a Standard & Poor’s Financial Services LLP business (or any successor thereto).

“*Redemption Option*” shall have the meaning set forth in Section 3.02(c) hereof.

[“*Refunded Bonds*” means, the THDA bonds [listed in Exhibit D hereto][set forth in a certificate of THDA delivered on or prior to the date of issuance of the Issue 2023-2 Bonds.]

“*Remarketing Agent*” means the Remarketing Agent appointed in accordance with Section 3.04 of this Resolution.

“*Remarketing Agreement*” means the Remarketing Agreement for the remarketing of the Convertible Bonds by and between THDA and the Remarketing Agent referred to in Section 3.04 of this Resolution which shall constitute the Remarketing Agreement for purposes of the Resolution.

“*Remarketing Costs*” means any costs associated with the remarketing of any Short Term Rate Bonds or the conversion of any Issue 2023-2B Bonds to Long Term Rate Bonds, including fees of the Remarketing Agent, printing costs, costs of preparation and reproduction of documents, filing and recording fees, initial fees and charges of any Fiduciary, legal fees and charges, fees and disbursements of consultants and professionals, costs of credit ratings, fees and charges for preparation, execution, transportation and safekeeping of Bonds, costs and expenses of refunding, premiums for the insurance of the payment of Bonds, accrued interest in connection with the financing of Program Loans and any other cost, charge or fee in connection with the remarketing of the Issue 2023-2B Bonds.

“*Resolution*” means this Supplemental Resolution adopted by THDA on March 21, 2023, as approved in its amended and supplemented form by the Designated Authorized Officer on [\_\_\_\_\_], 2023.

“*Serial Bonds*” means, collectively, the Issue 2023-2A Serial Bonds, the Issue 2023-2B Serial Bonds, and the Issue 2023-2C Serial Bonds.

“*Short Term Option*” shall have the meaning set forth in Section 3.02(b) hereof.

“*Short Term Rate*” shall mean the short-term adjustable interest rate (i) initially borne by the Convertible Bonds upon issuance and (ii) pursuant to the Short Term Option set forth in Section 3.02(b) hereof.

“*Subseries*” shall mean any subseries of Issue 2023-2 Bonds established pursuant to this Resolution and references to the Bonds of any Subseries shall include all Bonds at any particular point in time designated as the Bonds of such Subseries in accordance with the provisions of this Resolution.

“*Tender Date*” shall mean any date on which all or a portion of Convertible Bonds become subject to mandatory tender for purchase by the Trustee, including any Issue 2023-2B Tender Date.

“*Term Bonds*” means, collectively, the Issue 2023-2A Term Bonds, the Issue 2023-2B Term Bonds, and the Issue 2023-2C Term Bonds.

[“*Transferred Investments*” means amounts on deposit in certain funds and accounts of THDA allocated to any Refunded Bonds relating to the Issue 2023-2A Bonds or a Subseries of Long Term Rate Bonds which are allocated to such Long Term Bonds upon the refunding of such Refunded Bonds.]

[“*Transferred Proceeds*” means the sum of \$\_\_\_\_\_ on deposit in the Issue 2023-2 Bond Subaccount of the Loan Fund subsequent to the refunding of any Refunded Bonds.]

[“*Transferred Program Loans*” means the Program Loans allocable to any Refunded Bonds which are allocated to the Issue 2023-2A Bonds or a Subseries of Long Term Rate Bonds upon the refunding of such Refunded Bonds.]

“*Underwriters*” means, collectively, [Citigroup Global Markets Inc., Raymond James & Associates, Inc., and RBC Capital Markets, LLC], their respective successors and assigns, and the Co-Managers as purchasers of the Issue 2023-2 Bonds.

(c) Unless the context otherwise indicates, words of the masculine gender will be deemed and construed to include correlative words of feminine and neuter genders, words importing the singular number include the plural number and vice versa, and words importing persons include firms, associations, partnerships (including limited partnerships), trusts, corporations and other legal entities, including public bodies, as well as natural persons.

(d) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder” and any similar terms as used in this Resolution refer to this Resolution and such terms used in the form of registered bond herein refer to such bonds.

(e) [Unless the context otherwise indicates, the term “Program Loan” as used herein shall include any Transferred Program Loans, as well as new Program Loans, and, without duplication, Program Securities, and the phrase “Program Loans allocable to the Issue 2023-2 Bonds” shall include any Transferred Program Loans as well as any new Program Loans and Program Securities acquired with proceeds of the Issue 2023-2 Bonds.]

**Section 1.03. Authority for this Resolution.** This Resolution is adopted pursuant to the provisions of the Act and the General Resolution.

## ARTICLE II

### TERMS AND ISSUANCE

**Section 2.01. Issue Amount and Designation.** In order to provide funds necessary for the Residential Finance Program in accordance with and subject to the terms, conditions and limitations established herein and in the General Resolution, Residential Finance Program Bonds, Issue 2023-2A are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_, Residential Finance Program Bonds, Issue 2023-2B are hereby authorized to be

issued in the aggregate principal amount of \$\_\_\_\_\_, and Residential Finance Program Bonds, Issue 2023-2C are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_. In addition to the title “Residential Finance Program Bond,” the Issue 2023-2 Bonds will bear the additional designation “Issue 2023-2A (Non-AMT),” “Issue 2023-2B (Non-AMT),” and “Issue 2023-2C (Federally Taxable),” as appropriate. The Issue 2023-2 Bonds shall be issued only in fully registered form. The Issue 2023-2A Bonds will consist of \$\_\_\_\_\_ principal amount of Serial Bonds and \$\_\_\_\_\_ principal amount of Term Bonds. The Issue 2023-2B Bonds will initially consist of \$\_\_\_\_\_ principal amount of Convertible Option Bonds. The Issue 2023-2C Bonds will consist of \$\_\_\_\_\_ principal amount of Serial Bonds and \$\_\_\_\_\_ principal amount of Term Bonds.

**Section 2.02. Purposes.** [A portion of] the Issue 2023-2A Bonds are being issued to refund the Refunded Bonds. [As a result of such refunding, the Transferred Program Loans, [Transferred Proceeds] and the Transferred Investments will become allocated to the Issue 2023-2 Bonds.] [A portion of] the Issue 2023-2A Bonds, and the Issue 2023-2B Bonds and the Issue 2023-2C Bonds are being issued, subsequent to the conversion of the interest rate on any Convertible Bonds to Long Term Rates, (a) to finance Program Loans (including Program Securities), or participations therein, on single family residences located within the State, (b) if required, to pay capitalized interest on the Issue 2023-2 Bonds, (c) if required, to make a deposit in the Bond Reserve Fund, and (d) if required, to pay certain costs of issuance relating to the Issue 2023-2 Bonds. Upon the conversion of the interest rate on all or a portion of the Convertible Bonds to Long Term Rate Bonds, amounts on deposit in the Issue 2023-2B Subaccount of the Loan Fund also may be used, if required, to pay certain costs of issuance or remarketing with respect to the Issue 2023-2B Bonds. [As a result of the refunding of the Refunded Bonds, the Transferred Proceeds will become allocated to the Issue 2023-2 Bonds.]

The proceeds of the Issue 2023-2A Bonds [and the [Transferred Proceeds and the] Transferred Investments] shall be applied in accordance with Article IV hereof.

Prior to the initial Issue 2023-2B Tender Date, all moneys made available from the issuance of the Issue 2023-2B Bonds shall be deposited in the Issue 2023-2B Subaccount of the Loan Fund, and shall be applied in accordance with Article IV hereof.

**Section 2.03. Amounts, Maturities and Interest Rates.**

(a) The Issue 2023-2A Bonds will mature on the dates, in the principal amounts and bear interest from their Issue Date, calculated on the basis of a 360-day year of twelve 30-day months, payable semi-annually on each January 1 and July 1, commencing [\_\_\_\_\_], at the rate set opposite such date in the following tables:

**Issue 2023-2A Bonds**

**Serial Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%		\$	%

**Term Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%

**Issue 2023-2C Bonds**

**Serial Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%		\$	%

**Term Bonds**

<b>Maturity Date</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
	\$	%

(b) Prior to the conversion of the interest rate on any Issue 2023-2B Bonds to Long Term Rates, such Convertible Bonds shall have a nominal maturity of [\_\_\_\_\_]. The Convertible Bonds shall bear interest at the initial Short Term Rate of [\_\_\_\_\_] % per annum to, but excluding, the Issue 2023-2B Tender Date, calculated on the basis of a 360-day year of twelve 30-day months.

(c) At such time as THDA elects the Long Term Option with respect to all or a portion of the Convertible Bonds, the Issue 2023-2B Bonds with respect to which such an election shall have been made shall bear interest at the Long Term Rate (calculated on the basis of a 360-day year of twelve 30-day months) and shall mature on each January 1 and July 1 commencing on the first January 1 or July 1 which is at least twelve months subsequent to the date of conversion of the interest rate on the 2023-2B Bonds to Long Term Rates through and including July 1, [\_\_\_\_], and on January 1, [\_\_\_\_], July 1, [\_\_\_\_], January 1, [\_\_\_\_] and July 1, [\_\_\_\_], each in the principal amounts determined by application of the related Bond Amortization Schedule.

Notwithstanding the foregoing, in the event that the application of the Bond Amortization Schedule results in a principal amount of Issue 2023-2B Bonds that is to mature or to be redeemed on any date which is not an integral multiple of \$5,000, then the amount of such principal shall be rounded up to the next integral multiple of \$5,000 and the principal amount of the final maturity of the Issue 2023-2B Bonds which are being converted to the Long Term Rate shall be reduced by a corresponding amount.

[The maturity dates for the Issue 2023-2B Bonds set forth above may be modified and the Issue 2023-2B Bonds which are to be converted to Long Term Rates shall be modified to incorporate [PAC Bonds], capital appreciation bonds and tender option bonds; provided, that (i) the Remarketing Agent delivers a certificate to the Trustee, THDA and Bond Counsel to the effect that the proposed changes in the maturity dates and structure of the Issue 2023-2B Bonds result in the lowest net interest cost to THDA that permits THDA to originate 30 year mortgages; (ii) the Trustee receives an opinion from Bond Counsel to the effect that such proposed changes do not adversely affect the exclusion of interest on the Issue 2023-2B Bonds from gross income for federal income tax purposes and that such proposed changes are permitted under the General Resolution and this Resolution; and (iii) written confirmation from the Rating Agencies that the proposed changes will not, in and of themselves, cause the ratings on the Issue 2023-2B Bonds to be adversely affected.]

(d) The Issue 2023-2B Bonds shall be dated their date of issuance and shall bear interest from that date to, but excluding, their respective Tender Date, and, if THDA selects the Short Term Option (as described below) in connection with such Tender Date or any subsequent Tender Date with respect to all or a portion of the Issue 2023-2B Bonds, then such Issue 2023-2B Bonds shall bear interest at the Short Term Rate (as defined in Section 3.02(b) hereof) from and including such Tender Date to, but excluding, the next succeeding Tender Date.

Prior to the first Issue 2023-2B Tender Date, interest on the Issue 2023-2B Bonds bearing interest at a Short Term Rate shall be payable on [July 1, \_\_\_\_], and the first Tender Date with respect thereto.

Subsequent to the first Tender Date, Issue 2023-2B Bonds bearing interest at a Short Term Rate shall be payable on each January 1 and July 1 commencing on the first January 1 or July 1 which is more than sixty days after the related Tender Date and on the next subsequent Tender Date. If THDA selects the Long Term Option in accordance with Section 3.02(a) hereof with respect to all or a portion of the Issue 2023-2B Bonds, then the Issue 2023-2B Bonds which are so converted shall bear interest at the Long Term Rate (as defined in Section 3.02(a) hereof) from the Tender Date on which the Long Term Rate goes into effect with respect to such Issue 2023-2B Bonds until maturity or prior redemption, payable on each January 1 and July 1 thereafter, commencing on the first such January 1 or July 1 which occurs more than sixty days following the Tender Date with respect to which THDA exercised its Long Term Option.

(e) Whenever the due date for payment of interest on or principal of the Issue 2023-2 Bonds or the date fixed for redemption of any Issue 2023-2 Bond shall be a day which is not a Business Day, then payment of such interest, principal or Redemption Price need not be made on such date, but may be made on the next succeeding Business Day, with the same force and effect as if made on the due date for payment of principal, interest

or Redemption Price and no additional interest shall be payable on such Business Day which, merely by operation of this paragraph, may have accrued after the original due date.

**Section 2.04. Denominations, Numbers and Letters.**

(a) The Issue 2023-2 Bonds of each Series or Subseries maturing in each year are to be issued in denominations of \$5,000 or any integral multiple thereof not exceeding the aggregate principal amount of Issue 2023-2 Bonds of each Series or Subseries maturing in such year. The Issue 2023-2 Bonds are to be lettered “R-3A,” or “R-3B,” as applicable, and numbered separately from 1 consecutively upwards.

(b) The Issue 2023-2 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. Only one Issue 2023-2 Bond of each Series or Subseries will be outstanding for each maturity and interest rate of each Series or Subseries of the Issue 2023-2 Bonds in the aggregate principal amount of such maturity, interest rate and Series or Subseries. Subject to the provisions of the General Resolution, purchases of ownership interests in the Issue 2023-2 Bonds will be made in book-entry form only in authorized denominations set forth in Section 2.04(a). Beneficial owners of the Issue 2023-2 Bonds will not receive certificates representing their interest in the Issue 2023-2 Bonds. So long as Cede & Co. shall be the registered owner of the Issue 2023-2 Bonds, THDA will deem and treat Cede & Co. as the sole and exclusive owner of the Issue 2023-2 Bonds and THDA will have no responsibility to any DTC participant or beneficial owner thereof.

**Section 2.05. Paying Agent.** The Trustee is hereby appointed as paying agent for the Issue 2023-2 Bonds pursuant to Section 11.2 of the General Resolution. The Trustee may appoint an agent for presentation of transfers in New York, New York and DTC may act as such agent.

**Section 2.06. Execution of Bonds.** The Issue 2023-2 Bonds shall be executed by the manual or facsimile signature of the Chair or Vice Chair and the seal of THDA or a facsimile thereof shall be imprinted, impressed or otherwise reproduced on the Issue 2023-2 Bonds and attested by the manual or facsimile signature of the Executive Director or Secretary of THDA. The Issue 2023-2 Bonds shall be delivered to the Trustee for proper authentication and delivered to DTC pursuant to the DTC FAST delivery program, as the registered owner of the Issue 2023-2 Bonds upon instructions from THDA to that effect.

**Section 2.07. Place of Payment; Record Date.** While the Issue 2023-2 Bonds are registered in book-entry only form in the name of Cede & Co. as nominee of DTC, payments of principal, Redemption Price and interest on the Issue 2023-2 Bonds shall be made in accordance with the procedures of DTC. In the event the Issue 2023-2 Bonds are no longer held in book-entry only form, the principal and Redemption Price of all Issue 2023-2 Bonds shall be payable at the designated corporate trust office of the Trustee. Interest on the Issue 2023-2 Bonds will be paid by check mailed by the Trustee to the registered owner thereof. Any registered owner of the Issue 2023-2 Bonds in a principal amount equal to or exceeding \$1,000,000 may receive payments of interest by wire transfer if written notice is given to the Trustee at least ten Business Days before an applicable Interest Payment Date. The Record Date for payment of interest on the Issue 2023-2 Bonds shall be the 15th day of the month next preceding an Interest Payment Date.

**Section 2.08. Sinking Fund Redemption Provisions.**

(a) The Issue 2023-2A Bonds that are Term Bonds are subject to redemption in part by lot on the dates set forth below for such maturity of Issue 2023-2 Bonds at a Redemption Price equal to 100% of the principal amount thereof from mandatory Sinking Fund Payments in the principal amounts for each of the dates set forth below:

**Issue 2023-2A Term Bonds due \_\_\_\_\_**

<b>Date</b>	<b>Amount Due</b>	<b>Date</b>	<b>Amount Due</b>
	\$		\$

\_\_\_\_\_  
\*Maturity

**Issue 2023-2A Term Bonds due \_\_\_\_\_**

<b>Date</b>	<b>Amount Due</b>	<b>Date</b>	<b>Amount Due</b>
	\$		\$

\_\_\_\_\_  
\*Maturity

**Issue 2023-2C Term Bonds due \_\_\_\_\_**

<b>Date</b>	<b>Amount Due</b>	<b>Date</b>	<b>Amount Due</b>
	\$		\$

\_\_\_\_\_  
\*Maturity



(a) The Issue 2023-2B Bonds that are Term Bonds are subject to redemption in part by lot on each January 1 and July 1 as set forth in the Bond Amortization Schedule at a Redemption Price equal to 100% of the principal amount thereof plus interest accrued to the date of redemption from mandatory Sinking Fund Payments which are required to be made in amounts sufficient to redeem the Term Bonds specified for each of the dates in Section 2.03(e).

(b) Upon the purchase or redemption of Issue 2023-2 Bonds of any series and maturity for which Sinking Fund Payments have been established other than by application of Sinking Fund Payments, each future Sinking Fund Payment for such Issue 2023-2 Bonds of such series and maturity will be credited by an amount bearing the same ratio to such Sinking Fund Payment as the total principal amount of such Issue 2023-2 Bonds of such series and maturity to be purchased or redeemed bears to the total amount of all Sinking Fund Payments for such series and maturity of Issue 2023-2 Bonds, unless otherwise directed by THDA in accordance with the General Resolution.

**Section 2.09. Optional Redemption.** The Issue 2023-2A Bonds maturing on and after [ ] [other than the Issue 2023-2A PAC Bonds], are subject to redemption at the option of THDA prior to their respective maturities, either as a whole or in part at any time, on or after [ ] (any such date to be determined by THDA or selected by the Trustee subject to the provisions of and in accordance with the General Resolution, and when so determined or selected will be deemed and is hereby set forth as the redemption date), upon notice as provided in Article VI of the General Resolution, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the date of redemption.

[[The Issue 2023-2A PAC Bonds are subject to redemption at the option of THDA, either as a whole or in part at any time or on or after [ ] (any such date to be determined by THDA or selected by the Trustee subject to the provisions of and in accordance with the General Resolution, and when determined or selected will be deemed and is hereby set forth as the redemption date), upon notice as provided in Article VI of the General Resolution, at the respective Redemption Prices set forth below (expressed as a percentage of the principal amount of such PAC Bonds to be redeemed), plus accrued interest to the redemption date:

<u>Period</u>	<u>PAC Bond Redemption Price</u>
[ ] to [ ]	[ ]%
[ ] and thereafter	[ ]

The 2023-2B Bonds bearing interest at a Short Term Rate shall be subject to redemption prior to maturity at the option of THDA in whole or in part on a Tender Date for such Bonds at a Redemption Price equal to 100% of the principal amount thereof, together with accrued interest to the date of redemption.

The 2023-2B Bonds bearing interest at Long Term Rates shall be subject to redemption prior to maturity at the option of THDA, in whole or in part at any time on or after the first January 1 or July 1 subsequent to the [ninth] anniversary of the conversion of interest on such Bonds to Long Term Rates, at Redemption Prices (expressed as percentages of the principal amount of the Bonds or portions thereof to be redeemed) together with interest accrued to the date of redemption, during the applicable period listed below:

<b>Redemption Period</b>	<b>Redemption Prices</b>
January 1 or July 1 of [ninth] year following Long Term Rate conversion through the succeeding December 31 or June 30, as applicable	101%
January 1 or July 1 of [tenth] Year following Long Term Rate Conversion and thereafter	100

**Section 2.10. Special Optional Redemption.** The Issue 2023-2A Bonds, the Issue 2023-2C Bonds, and, subsequent to their conversion to Long Term Rate Bonds, the Issue 2023-2B Bonds, are subject to redemption, at the option of THDA, as a whole or in part at any time prior to maturity, in accordance with the provisions of the General Resolution in an amount equal to amounts available for such purpose from (i) proceeds of such Issue 2023-2 Bonds not expected to be applied to the financing of Program Loans, (ii) repayments and prepayments of Program Loans (including Program Securities [and the Transferred Program Loans]) allocated to the Issue 2023-2 Bonds not otherwise required to be applied to the special mandatory redemption of the Issue 2023-2 Bonds as described in Sections 2.11(b) or 2.11(c) hereof or to make regularly scheduled principal payments, including Sinking Fund Payments, on the Issue 2023-2 Bonds, (iii) repayments and prepayments of Program Loans made with the proceeds of any other Bonds issued under the General Resolution, subject to limitations contained in the Code, (iv) other amounts on deposit in the Revenue Fund in excess of the amounts required for the payment of Debt Service and Program Expenses, and (v) amounts on deposit in the Bond Reserve Fund in excess of the Bond Reserve Requirement; provided however, that any PAC Bonds (A) are only subject to redemption as described in clause (ii) above as described in Section 2.11(b) hereof [, and] (B) shall not be subject to redemption as described in clauses (iii), (iv) and (v) above if such redemption would cause amortization of a PAC Bond to exceed the Planned Amortization Amount.

The date of redemption pursuant to this Section 2.10 shall be determined by the Trustee upon the direction of THDA subject to the provisions of and in accordance with the General Resolution (and when so determined such date will be deemed and is hereby set forth as the redemption date). The Issue 2023-2 Bonds to be so redeemed shall be redeemed at a Redemption Price of 100% of the principal amount thereof, plus interest accrued to the redemption date, if applicable; provided, however, that the Redemption Price for the PAC Bonds in the event of a redemption described in clause (i) of the paragraph above shall be the issue price thereof (par plus premium), plus accrued interest to the redemption date.

The Issue 2023-2 Bonds to be redeemed pursuant to this Section 2.10 shall be selected by THDA in its sole discretion; provided, however, that any PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2023-2 Bonds then Outstanding in the event of any redemption pursuant to clause (i) of the first paragraph of this Section 2.10.

**Section 2.11. Special Mandatory Redemptions.**

(a) ***Unexpended Proceeds.*** The Issue 2023-2A Bonds are subject to mandatory redemption on [ ] in the event and to the extent that there are unexpended proceeds of the Issue 2023-2A Bonds [in excess of \$[ ] on deposit in the Issue 2023-2AC Subaccount of the Loan Fund on [ ]; provided that such redemption date

may be extended, at the option of THDA, and subject to the satisfaction of the conditions set forth in Section 5.02 hereof.

Notwithstanding any extension of the redemption date described above, in order to satisfy requirements of the Code, the Issue 2023-2A Bonds are subject to mandatory redemption on [\_\_\_\_\_, \_\_\_\_], to the extent any proceeds of the Issue 2023-2A Bonds remain on deposit in the Issue 2023-2AC Subaccount of the Loan Fund on [\_\_\_\_\_, \_\_\_\_].

The Issue 2023-2B Bonds are subject to mandatory redemption in whole or in part at 100% of the principal amount thereof, plus accrued interest, on [\_\_\_\_], from the unexpended proceeds of the Issue 2023-2B Bonds in excess of \$249,999 on deposit in the Issue 2023-2B Subaccounts of the Loan Fund which have not been utilized to finance Program Loans prior to [\_\_\_\_]. Such redemption shall be paid out of all of the unexpended proceeds in the Issue 2023-2B Subaccounts of the Loan Fund made available from the issuance of the Issue 2023-2B Bonds and the investment income therefrom

The redemption price of the Issue 2023-2 Bonds to be so redeemed shall be 100% of the principal amount thereof plus interest accrued to the date of redemption, if applicable; provided, however, that the redemption price for any PAC Bonds shall be the issue price thereof (par plus premium) plus accrued interest to the redemption date. The Issue 2023-2 Bonds to be redeemed shall be selected by THDA in its sole discretion; provided, however, that any PAC Bonds may not be redeemed in an amount in excess of their proportionate amount of all Issue 2023-2 Bonds then Outstanding.

(b) **[Excess 2023-2 Principal Payments (PAC Bonds)]**. The PAC Bonds are subject to redemption prior to their maturity, in whole or in part at a Redemption Price of 100% of the principal amount of such PAC Bonds to be redeemed, plus interest accrued to the date of redemption, from amounts transferred to the Redemption Account representing Excess 2023-2 Principal Payments. Any Excess 2023-2 Principal Payments so deposited in the Redemption Account shall be applied to the redemption of PAC Bonds on any Interest Payment Date commencing [\_\_\_\_]; provided that PAC Bonds may be redeemed between Interest Payment Dates on the first Business Day of any month for which adequate notice of redemption may be given.

While any Issue 2023-2 PAC Bonds remain Outstanding, Excess 2023-2 Principal Payments shall be used as follows:

FIRST, if principal prepayments on the Program Loans allocable to a Series or Subseries of Issue 2023-2 Bonds (including Program Securities [and the Transferred Program Loans]) are equal to or less than the related 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2023-2 Principal Payments shall first be applied to redeem such PAC Bonds up to an amount correlating to the related PAC Bonds Planned Amortization Amount, and, subject to Section 2.11(c) below, the remainder may be applied by THDA for any purpose permissible under the Resolution, including the redemption of any Bonds under the Resolution, other than such PAC Bonds.

SECOND, if principal prepayments on the Program Loans allocable to a Series or Subseries of the Issue 2023-2 Bonds (including Program Securities [and the Transferred

Program Loans]) are in excess of the related 400% PSA Prepayment Amount, as determined by THDA, then available Excess 2023-2 Principal Payments shall first be applied to redeem such PAC Bonds up to an amount correlating to the related PAC Bonds Planned Amortization Amount (as set forth in “FIRST” above) and, subject to Section 2.11(c) below, the remainder may be applied by THDA for any purpose permissible under the Resolution, including the redemption of any Bonds issued under the Resolution, including such PAC Bonds (any such remainder used to redeem such PAC Bonds being an “Excess Principal PAC Bond Redemption”); provided, however, that (i) the source of an Excess Principal PAC Bond Redemption is restricted to that portion of available Excess 2023-2 Principal Payments which is in excess of the related 400% PSA Prepayment Amount, and (ii) the principal amount of an Excess Principal PAC Bond Redemption may not be an amount in excess of such PAC Bonds’ proportionate amount of all Issue 2023-2 Bonds then Outstanding.

The Issue 2023-2A PAC Bonds Planned Amortization Amount and the Issue 2023-2A 400% PSA Prepayment Amount set forth in Exhibit B hereto, any Issue 2023-2B PAC Bonds Planned Amortization Amount and Issue 2023-2B 400% PSA Prepayment Amount determined for the Issue 2023-2B PAC Bonds, and the Issue 2023-2C PAC Bonds Planned Amortization Amount and Issue 2023-2C 400% PSA Prepayment Amount set forth in Exhibit B hereto, are each subject to proportionate reduction to the extent the related PAC Bonds are redeemed from amounts on deposit in the Issue 2023-2 Subaccount of the Loan Fund which are not applied to finance Program Loans in accordance with Section 2.11(a) hereof.]

(c) **Ten Year Rule.**

(i) To the extent not required to make regularly scheduled principal payments on the Issue 2023-2 Bonds (including Sinking Fund Payments) or otherwise required to be used to redeem the PAC Bonds as described in Section 2.11 (b) above, repayments and prepayments of principal on the Program Loans, or portions thereof, allocable to the Issue 2023-2 Bonds (including Program Securities [and the Transferred Program Loans]) received more than ten years after the Issue Date of the Issue 2023-2 Bonds (or the date of original issuance of the bonds refunded by the Issue 2023-2 Bonds, directly or through a series of refundings) shall be applied to redeem the Issue 2023-2 Bonds on or before the next Interest Payment Date with respect to the Issue 2023-2 Bonds, which Interest Payment Date is at least six months from the date of receipt of such Program Loan principal payments, in such principal amounts as required to satisfy requirements of the Code. The Redemption Price of Issue 2023-2 Bonds so redeemed shall be 100% of the principal amount thereof, plus interest accrued to the redemption date, if applicable.

(ii) THDA shall advise the Trustee of the appropriate Redemption Date for any redemption pursuant to this Section 2.11(c). The Issue 2023-2 Bonds to be redeemed shall be selected by THDA in its sole discretion; provided however, that any PAC Bonds may be redeemed in an amount that exceeds the related PAC Bonds Planned Amortization Amount only if there are no other Issue 2023-2 Bonds Outstanding.

(d) *Mandatory Redemption of Issue 2023-2B Bonds Bearing Interest at Short Term Rate.* The Issue 2023-2B Bonds bearing interest at a Short Term Rate shall be subject to mandatory redemption on any related Tender Date, in whole or in part by lot, from proceeds of such Issue 2023-2B Bonds on deposit in the Issue 2023-2B Subaccount of the Loan Fund, at a Redemption Price equal to 100% of the principal amount thereof, plus accrued interest to the redemption date, in the event such Issue 2023-2B Bonds have been tendered, or deemed tendered, for purchase on such Tender Date and the conversion to Long Term Rate Bonds does not occur or such Issue 2023-2B Bonds are not remarketed. No notice of redemption shall be given with respect to a redemption under this Section 2.11(d).

(e) *Selection of Bonds Subject to Mandatory Redemption.* THDA shall direct redemptions pursuant to subsections 2.11(a) and (b) hereof pro rata among all maturities of the related Subseries of Issue 2023-2B Bonds bearing interest at Long Term Rates, as applicable, then outstanding unless THDA shall deliver a Projected Cash Flow Statement indicating a different selection of such Subseries of Issue 2023-2B Bonds bearing interest at Long Term Rates, to be redeemed.

**Section 2.12. Selection by Lot.** If less than all of the Issue 2023-2 Bonds of like Series or Subseries and maturity are to be redeemed, the particular bonds of such maturity to be redeemed shall be selected by lot in accordance with Section 6.4 of the General Resolution.

**Section 2.13. Purchase of Bonds by THDA or Trustee.** Whenever moneys are available for redemption of Bonds under Sections 2.08, 2.09, 2.10 or 2.11 above, THDA or the Trustee is authorized to purchase Bonds at a price not to exceed the applicable Redemption Price.

## ARTICLE III

### TENDER, REMARKETING AND PURCHASE OF CONVERTIBLE BONDS AND LONG TERM RATE LOANS

**Section 3.01. Designation of Tender Dates [and Rate Estimation].** The Convertible Bonds are subject to mandatory tender in whole or in part on each related Tender Date; provided, however, that 100% of the Issue 2023-2B Convertible Bonds are subject to mandatory tender on [\_\_\_\_\_]. THDA may designate a Tender Date other than the stated Tender Date (any Business Day on or after [\_\_\_\_\_]) in relation to the Issue 2023-2B Bonds, with respect to the first Tender Date for such Issue 2023-2B Bonds) for all or a portion of the Convertible Bonds for which funds are on deposit in the Issue 2023-2B Subaccount of the Loan Fund and shall pay the purchase price thereof in accordance herewith in the event of a failed remarketing by giving written notice of such designation to the Trustee, the Remarketing Agent and each Rating Agency no later than the 25th day prior to such Tender Date. (Such written notice to the Trustee shall also contain the direction for the Trustee to give Tender Notices as set forth in Section 3.03). THDA may specify in such written designation a period of time prior to the designated Tender Date during which THDA may not designate an earlier Tender Date. If only a portion of the Convertible Bonds are to be subject to tender on such Tender Date, then the Trustee shall select by lot which Convertible Bonds will be subject to tender on such Tender Date and such Convertible Bonds shall be given a special Subseries designation to distinguish them from other Convertible Bonds which

are not subject to tender on such Tender Date. THDA will evaluate its ability to originate Program Loans and will be required to elect one of the Options described in Section 3.02 hereof on or before the 10th day next preceding each respective Tender Date (each, an “Election Date”).

**Section 3.02. Options.** On each Election Date one of three Options must be selected by THDA and the Option selected will be effective as to all or a specified portion of the Convertible Bonds, as the case may be, on the next succeeding Tender Date. The Options are that the Convertible Bonds, or a specified portion thereof, will be:

(a) remarketed as serial and term bonds (including a PAC Bond, if so elected pursuant to the terms of this Section 3.02) having the maturity and redemption provisions described in Article II hereof and bearing long term interest rates determined by negotiated (including, without limitation, a private placement) or competitive sale, at THDA’s option, as necessary to market such Convertible Bonds at a purchase price for each maturity equal to 100% of the principal amount thereof (the “Long Term Rate”) from and including the applicable Tender Date next following THDA’s exercise of its Long Term Option to the respective maturity dates of such Convertible Bonds, with such maturity dates determined in accordance with Section [\_\_\_\_\_] hereof (the “Long Term Option”);

(b) remarketed as term bonds having the maturity and redemption provisions described herein, but subject to mandatory tender on the next succeeding applicable Tender Date and bearing a short term rate determined by negotiated (including, without limitation, a private placement) or competitive sale, at THDA’s option, as necessary to market such Convertible Bonds at a purchase price equal to 100% of the principal amount thereof (the “Short Term Rate”) from and including the Tender Date immediately following THDA’s exercise of its Short Term Option to, but excluding, the next succeeding Tender Date which must be designated by THDA in accordance with Section 3.01 at the time THDA exercises its Short Term Option (the “Short Term Option”); or

(c) redeemed at par pursuant to Section 2.09(b) hereof (the “Redemption Option”) (the Long Term Option, the Short Term Option and the Redemption Option are hereinafter collectively called the “Options”).

THDA shall elect the Long Term Option with respect to all or a portion of the Convertible Bonds with respect to which an election is being made if prevailing market conditions are such that such Bonds can be remarketed at a Long Term Rate which will enable THDA to implement THDA’s program of financing Program Loans. THDA’s determination shall be based on, among other things, whether, under prevailing financial market conditions, the Long Term Rate which the Issue 2023-2B Bonds would bear would be low enough to enable mortgagors to afford Program Loans and the mortgage lenders to commit to originate Program Loans and whether such remarketing is economically advantageous to THDA and otherwise satisfies the financial objectives of THDA. THDA may elect the Long Term Option for all or part of such Convertible Bonds. The Short Term Option or the Redemption Option is available to THDA only in the event that the prevailing financial conditions do not warrant THDA electing the Long Term Option prior to any Tender Date. On the last applicable Tender Date, THDA may only elect between the Long Term Option and the Redemption Option.

THDA may elect to include a PAC Bond as part of its Long Term Option only so long as [PAC test/requirement language to be provided]. Any election to include a PAC Bond in such

Long Term Option must be designated in the Election Certificate delivered in connection with the related Tender Date.

In order to elect either the Short Term Option or the Long Term Option, THDA must notify the Rating Agencies of its election and deliver to them such information as they may require. In addition, in order to elect either the Long Term Option or the Short Term Option, THDA shall deliver to the Trustee (a) a Projected Cash Flow Statement, (b) a Bond Counsel Option to the effect that THDA's choice of such Option will not affect the validity of such Bonds or adversely affect the exclusion of interest on such Bonds from the gross income of the recipient thereof for federal income tax purposes, (c) written confirmation from each Rating Agency to the effect that such election will not adversely affect the then existing rating on any Bonds Outstanding, and (d) an Election Certificate.

Each Election Certificate shall set forth (a) the related Series, (b) the Outstanding principal amount of such Series on such Election Date, (c) the Option selected for such principal amount, or, if more than one Option is selected, the principal amount of such Series or Subseries relating to each Option, including the Subseries designation for each such Option, (d) the next Tender Date (including any lockout period) relating to any Series or Subseries, if any, with a Short Term Rate, (e) whether or not a PAC Bond is included in any Subseries of Bonds with a Long Term Rate, (f) the Bond Amortization Schedule for each Subseries with a Long Term Rate, and (g) the Planned Amortization Amounts relating to the PAC Bond, if any.

**Section 3.03. Notification of Each Tender Date.** On or prior to the 15th day next preceding each Tender Date, THDA will direct the Trustee to deliver to the registered owner or owners of Convertible Bonds subject to mandatory tender, by registered or first class mail, a notice of tender (the "Tender Notice") no later than the Notification Date. Notwithstanding the foregoing, so long as Cede & Co., as nominee of DTC, is the registered owner of all Convertible Bonds, such Tender Notice shall be delivered solely to Cede & Co. by registered or first class mail, or such other method of notification as shall be acceptable to DTC.

The Tender Notices with respect to the Issue 2023-2B Bonds shall state in substance that (a) the Convertible Bonds which are subject to mandatory tender on the next Tender Date are required to be tendered for mandatory purchase on the next Tender Date (which date shall be specified in the Tender Notice) at a purchase price equal to 100% of the principal amount thereof plus accrued interest thereon to the purchase date; (b) the registered Bondowner will be entitled only to the payment of the purchase price equal to 100% of the principal amount of his Convertible Bonds plus accrued interest to the applicable Tender Date but will not be entitled to the payment of interest which accrues on his Convertible Bonds from and after such Tender Date; (c) such registered Bondowner must deliver his Convertible Bonds to the Trustee not later than 10:30 A.M., New York City time, on the next Tender Date duly endorsed in blank for transfer.

**Section 3.04. Remarketing of Tendered Bonds.** THDA shall select an investment banking firm, financial advisory firm or other entity experienced in the sale or placement of qualified mortgage revenue bonds to serve as Remarketing Agent with respect to the Convertible Bonds either through negotiation (including, without limitation, the placement thereof with an institutional investor) or competitive sale. THDA shall direct the Remarketing Agent to offer, the Convertible Bonds (or portions thereof) in the amount required to be tendered for purchase. The Remarketing Agent shall offer for sale and use its best efforts to sell, or negotiate the sale or private placement of, the Convertible Bonds (or portions thereof) of each maturity at a price equal to 100%

of the principal amount thereof. The Remarketing Agent shall notify the Trustee no later than one Business Day (or two Business Days if THDA elects the Long Term Option) preceding the applicable Tender Date, of the amount remarketed, their maturities and interest rates. Any portion of the Convertible Bonds not remarketed shall be redeemed by the Trustee with moneys made available from proceeds of such Bonds on deposit in the Issue 2023-2B Subaccount of the Loan Fund, as applicable.

### **Section 3.05. Payment of Tendered Convertible Bonds.**

(a) *Application of Remarketing Account.* The Trustee shall establish hereunder a Remarketing Account and shall deposit therein proceeds received from the remarketing of the Convertible Bonds.

(b) *Payment of Tendered Bonds.* On each Tender Date, the Trustee shall purchase the amount of the Convertible Bonds which have been tendered to the extent proceeds for such purchase are available in the Remarketing Account. Any portion of a Convertible Bond which has been tendered but not remarketed shall be redeemed by the Trustee with moneys available in the Issue 2023-2B Subaccount of the Loan Fund, as applicable, which are attributable to the proceeds of such unremarketed Convertible Bonds.

## **ARTICLE IV**

### **SALE AND DELIVERY**

#### **Section 4.01. Sale.**

(a) The Issue 2023-2 Bonds are hereby authorized to be sold to the Underwriters at the prices and on the terms and conditions set forth in the Bond Purchase Agreement and upon the basis of the representations, warranties and agreements therein set forth. The Board of Directors of THDA hereby authorizes the Designated Authorized Officer to approve the purchase price of the Issue 2023-2 Bonds and to execute the Bond Purchase Agreement.

(b) The Designated Authorized Officer of THDA is hereby authorized to make public and to authorize distribution of the Official Statement relating to the Issue 2023-2 Bonds in substantially the form presented to THDA with such changes, omissions, insertions and revisions as such officer shall deem advisable. The Chair, Vice Chair, Executive Director and Designated Authorized Officer are hereby authorized to sign and deliver such Official Statement to the Underwriters. The distribution of the Preliminary Official Statement relating to the Issue 2023-2 Bonds to the public is hereby authorized and approved.

(c) The Issue 2023-2 Bonds shall be delivered to the Underwriters in accordance with the terms of the Bond Purchase Agreement and this 2023-2 Supplemental Resolution.

## **ARTICLE V**

### **DISPOSITION OF PROCEEDS AND OTHER MONEYS**



**Section 5.01. Loan Fund; Bond Reserve Fund Requirement.** Upon receipt of the proceeds of the sale of the Issue 2023-2 Bonds, THDA shall deposit such proceeds, together with any contribution from THDA of available THDA funds, in the Issue 2023-2 Bond Subaccount of the Loan Fund and in the Bond Reserve Fund, if applicable, as shall be set forth in a certificate of THDA delivered on or prior to the date of issuance of the Issue 2023-2 Bonds. Amounts on deposit in the Issue 2023-2B Subaccount of the Loan fund shall not be applied to finance Program Loans until the interest rates on all or a portion of the Issue 2023-2B Bonds are converted to Long Term Rate Bonds. Amounts on deposit in the Issue 2023-2AC Bond Subaccount of the Loan Fund in excess of \$[\_\_\_\_\_], [together with the Transferred Proceeds,] shall be applied to (i) the financing of Program Loans (including Program Securities), or participations therein, in accordance with the provisions of the General Resolution and Section 5.04 hereof, (ii) deposits to the Bond Reserve Fund and the Debt Service and Expense Account of the Revenue Fund, (iii) payment of Costs of Issuance and (iv) payment of capitalized interest to the extent, if any, specified by written instructions of an Authorized Officer.

Upon the conversion of any Issue 2023-2B Bonds to a Long Term Rate Bonds, THDA shall deposit the proceeds of such Long Term Rate Bonds, together with any contribution from THDA of available THDA funds, in a Subseries subaccount of the related Issue 2023-2B Subaccount of the Loan Fund and in the Bond Reserve Fund, if applicable; such deposits shall be as set forth in a certificate of THDA delivered on or prior to the date of conversion of any Issue 2023-2B Bonds to Long Term Rate Bonds. Such proceeds may be (a) applied to the refunding of Refunded Bonds, if any, (b) deposited to the Issue 2023-2B Subaccount of the Bond Fund in any amount required to meet the Bond Reserve Requirement for such Series, and (c) applied to the payment of Remarketing Costs; all remaining proceeds may be applied to finance Program Loans, or participations therein, in accordance with the provisions of the General Resolution and Section 5.04 hereof.

Amounts on deposit in a Subseries subaccount of any the Issue 2023-2 Subaccount of the Loan Fund shall be withdrawn therefrom and applied to the mandatory redemption of the related Issue 2023-2 Bonds as described in Section 2.11(a) hereof. The date of such redemption provided in Section 2.11(a) may be extended upon the delivery by THDA to the Trustee and the Rating Agency of a Projected Cash Flow Statement which satisfies the requirements of Section 7.11 of the General Resolution; provided further that the date of such redemption shall not be extended beyond the date set forth in the second paragraph of Section 2.11(a) unless THDA is in receipt of an opinion of Bond Counsel to the effect that such extension will not adversely affect the exclusion of interest on the Issue 2023-2 Bonds from the income of the owners thereof for federal income tax purposes. The amount of funds on deposit in the Issue 2023-2 Bond Subaccount of the Loan Fund to be used to pay Costs of Issuance with respect to the Issue 2023-2 Bonds shall not exceed 2% of the proceeds of the Issue 2023-2 Bonds.

THDA hereby covenants that an amount equal to twenty percent (20%) of the funds deposited in the Issue 2023-2 Bond Subaccount of the Loan Fund allocable to the new money proceeds of the Issue 2023-2 Bonds which are to be used to finance Program Loans shall be made available for owner financing of “targeted area residences” (as defined in Section 143(j) of the Code) for a period of one year subsequent to the date on which such funds are first made available to finance Program Loans, unless THDA shall receive an opinion of Bond Counsel to the effect that the failure to make such moneys available will not adversely affect the exclusion of interest on the Issue 2023-2 Bonds from the gross income of the owners thereof for federal income tax purposes.

The Bond Reserve Fund Requirement with respect to the Issue 2023-2 Bonds and any Subseries of Long Term Rate Bonds shall be [an amount equal to 3% of the then current balance of Program Loans (other than Program Loans underlying Program Securities) allocable to such Series or Subseries of the Issue 2023-2 Bonds plus the amount on deposit in the related Issue 2023-2 Subaccount of the Loan Fund which has not been designated to provide for the payment of Costs of Issuance or capitalized interest. On the Issue Date, THDA shall deposit an amount in the Bond Reserve Fund to satisfy the Bond Reserve Requirement.]

**Section 5.02. Proceeds of Issue 2023 Bonds.** Proceeds of the Issue 2023-2A Bonds, Issue 2023-2B Bonds and Issue 2023-2C Bonds, together with any contribution from THDA of available THDA funds, initially shall be deposited (a) in the principal amount of \$[\_\_\_\_\_], in the Issue 2023-2AC Bond Subaccount of the Loan Fund, and (b) in the principal amount of \$[\_\_\_\_\_], in the Issue 2023-2B Bond Subaccount of the Loan Fund. [On the Issuance Date, \$[\_\_\_\_\_] of the amount on deposit in the Issue 2023-2AC Bond Subaccount of the Loan Fund [(representing [the principal] [a portion of] the proceeds of the Issue 2023-2A Bonds)] shall be applied to the refunding of the Refunded Bonds. [On such date, the Transferred Program Loans [and the Transferred Proceeds] shall be credited to the Issue 2023-2 Bond Subaccount of the Loan Fund and the Transferred Investments shall be deposited in such Funds or Accounts as shall be set forth in a certificate of THDA delivered on or prior to the Issuance Date.]]

**Section 5.03. Investment of Proceeds of Issue 2023-2B Bonds.** The proceeds of the Issue 2023-2B Bonds bearing interest at a Short Term Rate shall be invested in Investment Securities which mature and bear interest in an amount at least equal to the principal of and interest due on such Issue 2023-2B Bonds on their Tender Date. Such Investment Securities will secure all Bonds Outstanding under the General Resolution on a parity basis. Notwithstanding the foregoing, THDA hereby covenants and agrees for the benefit of the owners of the Issue 2023-2B Bonds bearing interest at a Short Term Rate, that amounts on deposit in the Issue 2023-2B Subaccount of the Loan Fund shall be used to pay debt service on Bonds other than the Issue 2023-2B Bonds only to the extent that there are no other funds available for such payment under the Resolution.

**Section 5.04. Program Loan Determinations.** No Program Loan shall be financed with proceeds of the Issue 2023-2 Bonds [(including the Transferred Proceeds)] unless (i) such Program Loan is made for the acquisition of residential housing for occupancy by not more than four families and (ii) the deed of trust securing such Program Loan shall constitute and create a first lien subject only to Permitted Encumbrances, on the fee simple or leasehold estate, of real property located in the State or on the interest in the real property constituting a part of the residential housing with respect to which the Program Loan secured thereby is made and on the fixtures acquired with the proceeds of the Program Loan attached to or used in connection with such residential housing.

In addition, the Program Loan must either:

- (a) have been pooled into a Program Security; or
- (b) have been insured or guaranteed or have a commitment for insurance or guaranty by (i) the United States or any instrumentality thereof (inclusive of the Federal Housing Administration, the Farmers Home Administration, the Veteran's Administration, or another agency or instrumentality of the United States or the State to which the powers

of any of them have been transferred, or which is exercising similar powers with reference to the insurance or guaranty of Program Loans; or (ii) any agency or instrumentality of the State authorized by law to issue such insurance; or

(c) be made to borrowers who have an equity interest of at least 22% in the property based on the lesser of appraised value (as determined in an appraisal by or acceptable to THDA), or the sale price of the property securing the Program Loan; or

(d) be made in an amount not exceeding the value, as determined in an appraisal by or acceptable to THDA, or sale price of the property securing the Program Loan, whichever is less, but only if (i) THDA is issued a mortgage insurance policy by a private mortgage insurance company, qualified to issue such insurance or guarantee in the State and approved by THDA, and the claims paying ability of which private mortgage insurer is rated by each Rating Agency in a rating category at least as high as the then current rating assigned to the Bonds, under which the insurer, upon foreclosure of the property securing the Program Loan, must pay the holder of the Program Loan the unrecovered balance of a claim including unpaid principal, accrued interest, taxes, insurance premiums, and expenses of foreclosure, if any, or in lieu thereof may permit the holder of the Program Loan to retain title and may pay an agreed insured percentage of such claim; and (ii) the insured percentage of the Program Loan equals the amount by which the original principal amount of the Program Loan exceeds 78% of the value, as determined by an appraisal by or acceptable to THDA or sale price of the property securing the Program Loan, whichever is less.

## ARTICLE VI

### FORM OF BONDS, AND TRUSTEE'S CERTIFICATE OF AUTHENTICATION

**Section 6.01. Form of Bonds.** Subject to the provisions of the General Resolution, the Issue 2023-2 Bonds in fully registered form shall be in substantially the form attached hereto as Exhibit C, with such variations as shall be appropriate in order to conform to the terms and provisions of the General Resolution and this Resolution.

**Section 6.02. Form of Trustee's and Authenticating Agent's Certificate of Authentication.** The Issue 2023-2 Bonds shall not be valid or become obligatory for any purpose unless there shall have been endorsed thereon a certificate of authentication in substantially the following form:

(FORM OF TRUSTEE'S CERTIFICATE OF AUTHENTICATION)

This bond is one of the bonds described in the within-mentioned Resolutions and is one of the Residential Finance Program Bonds, [Issue 2023-2A (Non-AMT)] [Issue 2023-2B (Non-AMT)] [Issue 2023-2C (Federally Taxable)] of the Tennessee Housing Development Agency.

U.S. BANK TRUST COMPANY NATIONAL  
ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Officer

## ARTICLE VII

### MISCELLANEOUS

**Section 7.01. No Recourse Against Members or Other Persons.** No recourse may be had for the payment of principal of or premium or interest on the Issue 2023-2 Bonds or for any claim based thereon or on this Resolution against any member of THDA or any person executing the Issue 2023-2 Bonds and neither the members of THDA nor any person executing the Issue 2023-2 Bonds may be liable personally on the Issue 2023-2 Bonds or be subject to any personal liability or accountability by reason of the execution thereof.

**Section 7.02. Bonds not Debt, Liability or Obligation of the State or the United States of America.** The Issue 2023-2 Bonds are not a debt, liability or the obligation of the State or any other political subdivision thereof. Neither the full faith and credit nor the taxing power of the State, or of any other political subdivision thereof, is pledged for the payment of the principal of or interest on the Issue 2023-2 Bonds. The Issue 2023-2 Bonds are not a debt, liability or obligation of the United States of America or any agency thereof. Neither the full faith and credit nor the taxing power of the United States of America is pledged for payment of the principal of or interest on the Issue 2023-2 Bonds.

**Section 7.03. Delivery of Projected Cash Flow Statements.** THDA shall deliver such Projected Cash Flow Statements at the times and on the occasions set forth in the General Resolution or this Resolution.

**Section 7.04. Authorized Officers.** The Chair, Vice Chair, Executive Director, General Counsel, Deputy Executive Director and Secretary of THDA and the Secretary and any Assistant Secretary of the Bond Finance Committee and any other proper officer of THDA, be, and each of them hereby is, authorized and directed to execute and deliver any and all documents and instruments and to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution, the General Resolution and the Official Statement.

**Section 7.05. Authorized Trustee.** THDA authorizes and directs the Trustee to perform any and all acts contemplated to be performed by the Trustee pursuant to the terms and provisions of this Resolution.

**Section 7.06. Covenant to Comply with Federal Tax Law Requirements.** THDA hereby covenants to comply with all applicable requirements of the Code so that interest on the

Issue 2023-2 Bonds will be excluded from gross income of the holders thereof for federal income tax purposes, including the rebate requirement of Section 148(f) of the Code. THDA also covenants to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements. In accordance with the rebate requirement, THDA agrees that there will be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final Treasury Regulations as may be applicable to the Issue 2023-2 Bonds from time to time.

**Section 7.07. Continuing Disclosure Undertaking.**

(a) THDA shall deliver to the MSRB, within 210 days after the end of each Fiscal Year:

(i) a copy of the annual financial statements of THDA prepared in accordance with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board; and

(ii) an annual update of the type of information in the Official Statement (A) contained in Appendix E, (B) regarding annual required contributions for employee pension plan and other post-employment benefits to the extent not included in annual financial statements and (C) of the nature disclosed under the following headings (including, without limitation, information with respect to the outstanding balances of Program Loans, by mortgage type, delinquency information, acquisition costs and income limits):

(A) Residential Finance Program Bonds; and

(B) Residential Finance Program Loans.

The information described in this subsection (a) may be provided by specific reference to documents (including official statements, to the extent the official statements include the information described in this subsection (a)) previously provided to the MSRB or filed with the Securities and Exchange Commission.

If unaudited financial statements are provided as part of the information required to be delivered under this subsection (a) within the time period specified above, THDA shall provide, when and if available, a copy of THDA's audited financial statements to the MSRB.

(b) THDA shall deliver to the MSRB and the Trustee, in a timely manner not in excess of 10 business days after the occurrence of the event, notice of the occurrence of any of the following events (if applicable) with respect to the Issue 2023-2 Bonds:

(i) principal and interest payment delinquencies;

(ii) non-payment related defaults, if material;

(iii) unscheduled draws on the Bond Reserve Fund (or other debt service reserves) reflecting financial difficulties;

(iv) unscheduled draws on any credit enhancements reflecting financial difficulties;

(v) substitution of any credit or liquidity provider, or their failure to perform;

(vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Issue 2023-2 Bonds, or other material events affecting the tax status of the Issue 2023-2 Bonds;

(vii) modifications to rights of the holders of the Issue 2023-2 Bonds, if material;

(viii) bond calls, if material, and tender offers;

(ix) defeasances;

(x) release, substitution or sale of property securing repayment of the Issue 2023-2 Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership or similar event of THDA (which event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for THDA in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of THDA, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of THDA);

(xiii) The consummation of a merger, consolidation or acquisition involving THDA or the sale of all or substantially all of the assets of THDA, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(xiv) Appointment of a successor or additional trustee or the change of name of a trustee, if material;

(xv) Incurrence of a financial obligation of THDA, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of THDA, any of which affect Bondholders, if material; and

(xvi) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of THDA, any of which reflect financial difficulties.

For the purposes of the events identified in clauses (xv) and (xvi) above, the term “financial obligation” means: (A) a debt obligation; (B) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term “financial obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”).

Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Issue 2023-2 Bonds or defeasance of any Issue 2023-2 Bonds need not be given pursuant to this Section 7.07 any earlier than the notice (if any) of such redemption or defeasance is given to the owners of the Issue 2023-2 Bonds pursuant to the Resolution.

(c) THDA shall give notice to the Trustee and the MSRB in a timely manner of any failure by THDA to provide any information required pursuant to subsection (a) above within the time limit specified therein.

(d) All notices, documents and information provided to the MSRB shall be provided in an electronic format as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(e) THDA agrees that the provisions of this Section 7.07 shall be for the benefit of the beneficial owners of the Issue 2023-2 Bonds whether or not the Rule applies to such Issue 2023-2 Bonds.

(f) THDA may amend this Resolution with respect to the above agreements, without the consent of the beneficial owners of the Issue 2023-2 Bonds (except to the extent required under clause (iv)(B) below), if all of the following conditions are satisfied: (i) such amendment is made in connection with a change in circumstances that arises from a change in legal (including regulatory) requirements, a change in law (including rules or regulations) or in interpretations thereof, or a change in the identity, nature or status of THDA or the type of business conducted thereby; (ii) these agreements as so amended would have complied with the requirements of the Rule as of the date of this Resolution, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; (iii) THDA shall have delivered to the Trustee an opinion of counsel, addressed to THDA and the Trustee, to the same effect as set forth in clause (ii) above; (iv) either (A) THDA shall deliver to the Trustee an opinion of or determination by a person unaffiliated with THDA (which may include the Trustee or bond counsel), acceptable to THDA and the Trustee, addressed to THDA and the Trustee, to the effect that the amendment does not materially impair the interests of the holders of the Issue 2023-2 Bonds or (B) the holders of the Issue 2023-2 Bonds consent to the amendment pursuant to the same procedures as are required for amendments to the General Resolution with consent of the holders of Bonds pursuant to the General Resolution as in effect on the date of this Resolution; and (v) THDA shall have delivered copies of such opinion(s) and the amendment to the MSRB.

(g) THDA's obligations with respect to the beneficial owners of the Issue 2023-2 Bonds under these agreements as set forth above terminate upon a legal defeasance pursuant to the General Resolution, prior redemption or payment in full of all of the Issue 2023-2 Bonds. THDA shall give notice of any such termination to the MSRB.

(h) Failure by THDA to comply with this Section 7.07 shall not constitute an Event of Default under the General Resolution but the undertaking in this Section 7.07 may be enforced by any beneficial owner of the Issue 2023-2 Bonds exclusively by an action for specific performance. The obligations of THDA in this Section 7.07 shall be construed and interpreted in accordance with the laws of the State, and any suits and actions arising out of the obligations under this Section 7.07 shall be instituted in a court of competent jurisdiction in the State.

**Section 7.08. Confirmation and Adjustment of Terms by Designated Authorized Officer.** The terms of the Issue 2023-2 Bonds are herein established subject to confirmation by the Designated Authorized Officer upon the approval of the sale of the Issue 2023-2 Bonds by the Designated Authorized Officer. The Designated Authorized Officer is hereby authorized to make such changes or modifications in the principal amounts, maturities and interest rates for the Issue 2023-2 Bonds and in the application of the proceeds thereof, paying agents, terms of redemption and the schedule of prepayment amounts to be used for accrued principal installments in such manner as the Designated Authorized Officer determines to be necessary or convenient to better achieve the purposes of the Act and in the best interests of THDA.

**Section 7.09. Covenant as to Investment Securities.** THDA will not change the terms of any Investment Securities in which the Issue 2023-2B Bond proceeds are invested nor liquidate such Investment Securities at less than par prior to the maturity thereof during the period prior to its selection of the Long Term Option for all Issue 2023-2B Bonds without first obtaining the prior written consent of each Rating Agency.

**Section 7.10. Effective Date.** This Resolution will take effect immediately.



**EXHIBIT A**

**BOND PURCHASE AGREEMENTS**

**EXHIBIT B**

**[PLANNED AMORTIZATION AMOUNTS FOR ISSUE 2023-2A PAC BONDS]**

**Date**

**Issue 2023-2A PAC Bonds**  
**Planned Amortization Amount**

**[[400]% PSA PREPAYMENT AMOUNTS  
FOR ISSUE 2023-2A BONDS]**

<b>Date</b>	<b>Cumulative Amount</b>	<b>Date</b>	<b>Cumulative Amount</b>
-------------	------------------------------	-------------	------------------------------

[Add tables as needed for Issue 2023-2B PAC Bonds and Issue 2023-2C PAC Bonds, if any.]

**EXHIBIT C**

**FORM OF BOND**

**REGISTERED**

R- [2A][2B][2C]-\_\_

\$\_[\_\_\_\_\_]

**TENNESSEE HOUSING DEVELOPMENT AGENCY  
RESIDENTIAL FINANCE PROGRAM BOND  
ISSUE 2023-2[A][B] (Non-AMT)**

<b>Interest Rate</b>	<b>Dated Date</b>	<b>Maturity Date</b>	<b>Cusip</b>
[_____]%	[_____] , 2023	[_____]	880461[_____]

**REGISTERED OWNER: CEDE & CO.**

**PRINCIPAL SUM: [\_\_\_\_\_]**

**TENNESSEE HOUSING DEVELOPMENT AGENCY** (hereinafter sometimes called “THDA”), a body politic and corporate and a political subdivision of the State of Tennessee (herein called the “State”), created and existing under and by virtue of the laws of the State, acknowledges itself indebted, and for value received hereby promises to pay to the Registered Owner (shown above), or registered assigns, the principal sum (shown above), on the maturity date specified above, and to pay interest on said principal sum to the Registered Owner of this Bond from the dated date hereof until THDA’s obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above payable on each January 1 and July 1 commencing [\_\_\_\_\_]. The principal of and interest on this Bond are payable at the designated corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee in any coin or currency of the United States of America, which, on the respective dates of payment thereof shall be legal tender for the payment of public and private debts.

This Bond is one of the bonds of THDA designated “Residential Finance Program Bonds” (herein called the “Bonds”) authorized to be issued in various series under and pursuant to the Tennessee Housing Development Agency Act, Sections 13-23-101 et seq., of the Tennessee Code Annotated, as amended (herein called the “Act”), a resolution of THDA adopted January 29, 2013, as amended and supplemented by the Bond Finance Committee on April 18, 2013, and entitled “General Residential Finance Program Bond Resolution” (herein called the “General Resolution”) and a supplemental resolution authorizing each issue. As provided in the General Resolution, the Bonds may be issued from time to time in one or more series of various principal amounts, may bear interest at different rates and subject to the provisions thereof, may otherwise vary. All Bonds

issued and to be issued under the General Resolution are and will be equally secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the General Resolution.

This bond is one of a series of bonds additionally designated “Issue 2023-2[A][B][C]” (herein called the “Bonds”) issued in the aggregate principal amount of \$[ ] under the General Resolution, a resolution of THDA adopted on March 21, 2023, as approved in its amended and supplemented form by the Designated Authorized Officer on [ ], 2023 (collectively with the General Resolution, the “Resolutions”). Copies of the Resolutions are on file at the office of THDA in Nashville, Tennessee and at the principal corporate trust office of U.S. Bank Trust Company, National Association, Nashville, Tennessee, as trustee under the General Resolution (said trustee under the General Resolution being called herein the “Trustee”) and reference to the Resolutions and any and all supplements thereto and modifications and amendments thereof and to the Act is made for a description of the pledges and covenants securing the Bonds, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the bearers or registered owners of the Bonds with respect thereto and the terms and conditions upon which the Bonds have been issued and may be issued thereunder.

To the extent and in the manner permitted by the terms of the Resolutions, the provisions of the Resolutions or any resolution amendatory thereof or supplemental thereto may be modified or amended by THDA with the written consent of the holders of at least two-thirds in principal amount of the Bonds then outstanding, and, in case less than all of the several series of Bonds would be affected thereby, with such consent of the holders of at least two-thirds in principal amount of the Bonds of each series so affected then outstanding. If such modification or amendment will by its terms not take effect so long as any Bonds of any specified like series and maturity remain outstanding, however, the consent of the holders of such Bonds shall not be required. In addition, certain other modifications or amendments to the Resolutions can be made which are not contrary to or inconsistent with the Resolutions without the consent of the Bondholders.

The holder of this Bond shall have no right to enforce the provisions of the Resolutions, to institute actions to enforce the provisions of the Resolutions or to institute, appear in or defend any suit or other proceeding with respect thereto, except as provided in the General Resolution. In certain events, on the conditions, in the manner and with the effect set forth in the General Resolution, the principal of all the Bonds issued thereunder and then outstanding, together with accrued interest thereon, may become or may be declared due and payable before the maturity thereof.

This Bond is transferable, as provided in the Resolutions, only upon the books of THDA kept for that purpose at the office of the Trustee by the registered owner hereof in person or by such owner’s attorney duly authorized in writing, upon surrender of this Bond together with a written instrument of transfer satisfactory to the Trustee duly executed by the registered owner or such owner’s attorney duly authorized in writing, and thereupon a new registered Bond or Bonds in the same aggregate principal amount and of the same subseries and maturity shall be issued to the transferee in exchange therefor as provided in the General Resolution and upon the payment of the charges, if any, therein prescribed. THDA and the Trustee may treat and consider the person in whose name this Bond is registered as the absolute owner hereof for the purpose of receiving

payment of, or on account of, the principal or redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a special limited obligation of THDA payable solely from the revenues and assets pledged therefor pursuant to the General Resolution.

The Bonds are issued as fully registered bonds in the denomination of \$5,000 or any integral multiple thereof.

The Bonds are subject to optional, mandatory and sinking fund redemption as described in the Resolutions.

This Bond does not constitute a debt, liability or other obligation of the State or any political subdivision thereof other than THDA and neither the State nor any political subdivision thereof shall be obligated to pay the principal of the Bonds or the interest thereon. Neither the faith and credit nor the taxing power of the State or of any political subdivision thereof is pledged to the payment of the principal of or interest on the Bonds.

This Bond shall not be valid or become obligatory for any other purpose or be entitled to any security or benefit under the Resolutions until the Certificate of Authentication hereon shall have been signed by the Trustee.

The Act provides that neither the members of THDA nor any person executing this Bond shall be liable personally hereon or shall be subject to any personal liability or accountability by reason of its execution.

IT IS HEREBY CERTIFIED, RECITED AND DECLARED that all acts, conditions and things required by the Constitution or statutes of the State and the Resolutions to exist, to have happened or to have been performed precedent to or in the issuance of this Bond, exist, have happened and have been performed in due time, form and manner as required by law and that the issuance of the Bonds, together with all other indebtedness, of THDA, is within every debt and other limit prescribed by law.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, TENNESSEE HOUSING DEVELOPMENT AGENCY has caused this Bond to be executed in its name by the manual or facsimile signature of its Chair and its corporate seal (or a facsimile thereof) to be affixed, imprinted, engraved or otherwise reproduced hereon and attested by the manual or facsimile signature of its Executive Director, all as of the dated date shown above.

TENNESSEE HOUSING DEVELOPMENT  
AGENCY

By \_\_\_\_\_  
Matt McGauley  
Chair  
[SEAL]

Attest:

By \_\_\_\_\_  
Ralph M. Perrey  
Executive Director

**CERTIFICATE OF AUTHENTICATION**

This bond is one of the bonds described in the within-mentioned Resolutions and is one of the Residential Finance Program Bonds, Issue 2023-2[A][B][C] (Non-AMT) of the Tennessee Housing Development Agency.

U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as Trustee

By \_\_\_\_\_  
Authorized Signatory

Dated: \_\_\_\_\_, 2023



**ABBREVIATIONS**

The following abbreviations, when used in the inscription on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations.

- TEN COM - as tenants in common
- TEN ENT - as tenants by the entireties
- JT TEN - as joint tenants with the right of survivorship and not as tenants in common

UNIFORM GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
 (Cust) (Minor)  
 under Uniform Gifts to Minors  
 Act \_\_\_\_\_  
 (State)

Additional Abbreviations may also be used though not in the above list

**ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_ the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_, attorney to transfer the said Bond on the bond register, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Social Security Number or Employer Identification Number of Transferred: \_\_\_\_\_

Signature guaranteed: \_\_\_\_\_

NOTICE: The assignor's signature to this Assignment must correspond with the name as it appears on the face of the within Bond in every particular without alteration or any change whatever.

**EXHIBIT D**  
**REFUNDED BONDS**

A RESOLUTION OF THE BOARD OF DIRECTORS  
OF THE TENNESSEE HOUSING DEVELOPMENT AGENCY  
AUTHORIZING REIMBURSEMENT OF THDA  
FROM PROCEEDS OF ISSUE 2023-2

March 21, 2023

WHEREAS, the Tennessee Housing Development Agency (“THDA”) is financing mortgage loans for eligible borrowers to purchase single family residences in compliance with the Internal Revenue Code of 1986, as amended (the “Code”), and the General Residential Finance Program Bond Resolution, (the “2013 General Resolution”); and

WHEREAS, THDA expects to use its own funds to continue its mortgage loan programs prior to the availability of proceeds from the issuance of the General Residential Finance Program Bonds, Issue 2023-2, if and when issued and sold (the “Bonds”), through the direct purchase of eligible mortgage loans; and

WHEREAS, THDA will continue to commit and purchase mortgage loans prior to the closing date for the Bonds (the “Closing”); and

WHEREAS, THDA expects that up to \$50,000,000 in mortgage loans may be purchased prior to Closing; and

WHEREAS, it is in the best interest of THDA to reimburse itself from the proceeds of the Bonds for THDA funds expended to purchase mortgage loans prior to the Closing.

WHEREAS, Treasury Regulation § 150-2 and any amendments thereto or superseding regulations, whether in proposed, temporary or final form, as applicable (collectively, the “Reimbursement Regulations”), prescribe the conditions under which the proceeds of tax-exempt bonds, notes, certificates or other obligations included in the meaning of “bonds” under Section 150 of the Code (“Obligations”), including the Issue 2023-2 Bonds, used to reimburse the purchase of mortgage loans or program securities before the issuance of such Obligations may be deemed spent for purposes of Sections 103 and 141 to 150 of the Code and therefore, not further subject to any other requirements or restrictions under those sections of the Code.

WHEREAS, the Reimbursement Regulations require that a bond issuer such as THDA make a Declaration of Official Intent to reimburse mortgage loan or program security advances paid prior to the issuance of the Obligations intended to fund such mortgage loans and program securities, that such Declaration of Official Intent be made no later than sixty (60) days after payment of such advance and that any reimbursement of the proceeds of such Obligations to reimburse such advances occur no later than eighteen (18) months after the date the expenditure was paid.

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THDA THAT:

1. Use of proceeds from the Bonds in an amount not to exceed \$50,000,000 shall be used to reimburse THDA for the actual amounts expended to purchase mortgage loans made to eligible borrowers who purchased single family residences in accordance with the requirements of the Code and the 2013 General Resolution.
2. This resolution shall constitute the Authority’s Declaration of Official Intent. THDA declares that it reasonably expects that the advances to fund the purchase of mortgage loans and program securities described in Paragraph 1 herein, which were paid no earlier than sixty (60) days prior ~~to~~

the date hereof, or which will be paid prior to the issuance of any Obligations intended to fund such advances, will be reimbursed with the proceeds of Obligations, representing a borrowing by THDA in the maximum principal amount for such reimbursements not to exceed \$50,000,000 with respect to such Obligations.

3. This resolution shall take effect immediately.



## **Board of Directors Meeting**



# Tennessee Housing Development Agency

Andrew Jackson Building Third Floor  
502 Deaderick St., Nashville, TN 37243

Bill Lee  
Governor

Ralph M. Perrey  
Executive Director

## THDA Board of Directors Meeting Agenda (directly following conclusion of Bond Finance Committee)

Tuesday, March 21, 2023 at 10 AM CT  
Nashville Room, Tennessee Towers  
312 Rosa L. Parks Avenue, 3<sup>rd</sup> Floor  
Nashville, TN 37243

- A. Board Chair Convening of the Board and Introductory Comments
- B. Public Comment Period
- C. Executive Director's Report
- D. Single Family Business Update
- E. Multifamily Business Update
- F. Community Programs & Rental Assistance Presentation – Homelessness Programs (Emergency Solutions Grants, Emergency Housing Voucher, and HOME-ARP)
- G. Approval of Minutes from January 27, 2023 meeting
- H. Board Approval of Past Committee Minutes
  1. Grants Committee Minutes-January 24, 2023
  2. Lending Committee Minutes-January 24, 2023
  3. Rental Assistance Committee Minutes-September 27, 2022
  4. Rental Assistance Committee Minutes-January 24, 2023
  5. Tax Credit Committee Minutes- November 15, 2022
- I. Board Discussion Item
  1. 2022 HOME-ARP Rental Housing Round 1 Funding Awards
- J. Board Action Items
  1. Bond Issue 2023-2
  2. Eviction Prevention Pilot Program Revision
  3. CONVERGENCE-Memphis Grant
  4. 2023 Weatherization Assistance Program Application Submission Authorization
  5. 2020 HOME Grant Extension Requests



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243

[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA

THDA is an equal opportunity, equal access, affirmative action employer.



TENNESSEE HOUSING DEVELOPMENT AGENCY  
BOARD OF DIRECTORS MEETING MINUTES  
January 24, 2023

Pursuant to the call of the Chairman, the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, January 24, 2023, at 10:45 AM CT in Tennessee Room #2 of the William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following board members were present in person: Chair Matt McGauley, Sara Queirolo (for Treasurer David Lillard), Alex Schuhmann (for Commissioner of F&A Jim Bryson), Rob Mitchell, Katie Armstrong (for Comptroller Jason Mumpower), Chris Mustain (for Secretary of State Tre Hargett), Austin McMullen, and Jacky Akbari. Those absent were: John Snodderly, Chrissi Rhea, Rick Neal, Tennion Reed, and Daniel Springer.

Chair McGauley called the Board meeting to order and asked for consideration of the November 15, 2022 meeting minutes. Upon motion by Mr. Mitchell and a second by Mr. Schuhmann, the motion carried and the minutes were approved.

Chair McGauley then recognized Executive Director Ralph M. Perrey for his report. Mr. Perrey shared that:

- The Tennessee Housing Conference is February 28-March 1, Board members who wish to attend, please contact the executive office.
- After meetings in Washington earlier this month with Tennessee’s Members of Congress and their staffs, there is very strong support among the delegation for the Affordable Housing Credit Improvement Act. This would increase the amount of housing tax credits available to us by 50% and also make some changes to the Tax Exempt Bond Program that will let us stretch the same amount of bond authority over, perhaps, half-again as many developments.
- THDA had the first legislative budget hearing last Thursday before the House Finance, Ways & Means Committee. The presentation was well received.
- Governor Lee’s State of the State address is scheduled for the evening of February 6. Several budget items important to housing and THDA are under consideration.
- Mortgage loan production has slowed considerably. Some of that is seasonal but it is mostly a reflection of limited inventory of houses for sale at entry-level price points and the effect higher prices and interest rates are having on typical customers. January is shaping up to be the lowest loan production month THDA has had in at least 5 years.
- THDA expects to issue an RFP this week for a new Loan Operating System. THDA has been well-served by THELMA, the system our IT and Single Family

Teams designed and developed in-house, but as the loan business becomes more sophisticated, THDA needs an upgrade.

- THDA has been notified by the Department of Economic & Community Development that THDA's share of the state's Private Activity bond authority is roughly \$370 million. The entire amount will be made available to applicants in the multifamily bond program. Depending on whether there are other, competing claims on the state's bond cap, THDA would expect to receive an additional allocation at mid-year. THDA plans to make most, or all of these funds available for Multifamily.

At the conclusion of Mr. Perrey's remarks, Chair McGauley presented a motion and a second from the Bond Finance Committee to approve the Five Year Strategic Plan as presented in the Bond Finance Committee Meeting and outlined in the board materials. Upon vote from the full Board, the motion was carried.

Mr. McGauley then recognized Mr. McMullen, Acting Chair of the Grants Committee. Mr. McMullen presented a motion and a second from the Grants Committee to approve:

- ❖ 2023 National Housing Trust Fund Program Description
- ❖ 2023 ERA Eviction Prevention Program Description
- ❖ 2023 HOME ARP Supportive Services Program Description
- ❖ National Housing Trust Fund, Tennessee Housing Trust Fund, and Creating Homes Initiative-2 COVID related extensions

Upon vote from the full Board, the motion was carried.

Mr. McGauley then presented a motion and a second from the Lending Committee to approve the 2023 Housing Cost Index and Resolution as presented in the committee and outlined in the board materials. Upon vote from the full Board, the motion was carried.

Next, Mr. McGauley recognized Mr. Mitchell, Acting Chair of the Rental Assistance Committee. Mr. Mitchell presented a motion requiring a second to notify HUD that THDA will discontinue the Homeownership Option of the Housing Choice Voucher program as presented and outlined in the board materials to the Board for a vote. Upon motion by Mr. Mitchell and a second by Mr. Schuhmann, the motion was carried.

Finally, Chair McGauley recognized THDA's newest Board member, Jacquelyn Akbari, and welcomed her to the Board of Directors.



With no further business, the meeting was adjourned at 10:55 AM CT.

Respectfully submitted,

Ralph M. Perrey  
Executive Director

Approved this 21<sup>st</sup> day of March, 2023

Draft

TENNESSEE HOUSING DEVELOPMENT AGENCY  
GRANTS COMMITTEE MEETING MINUTES  
January 24, 2023

Pursuant to the call of the Chairman, the Grants Committee (the “Committee”) of the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, January 24, 2023, at 10:18 AM CT in the Tennessee Room #2 of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following committee members were present in person: Chair Austin McMullen, Katie Armstrong for Comptroller Jason Mumpower, and Chris Mustain for Secretary Hargett. Those absent were: Rick Neal and Tennion Reed.

Recognizing a quorum present, Chair McMullen called the Grants Committee meeting to order and asked for consideration of the November 15, 2022, meeting minutes. Upon motion by Ms. Armstrong and a second by Mr. Mustain, the motion carried and the minutes were approved.

Chair McMullen recognized Cynthia Peraza, Director of Community Programs, to present on the 2023 National Housing Trust Fund Program Description, as outlined in the memo dated January 3, 2023, from herself and Don Watt, Chief Programs Officer as found in the board packet. Ms. Peraza highlighted that the NHTF will make funding available for the development of affordable rental housing for extremely low-income households. THDA anticipates the receipt of \$9.76 million in funds through the NHTF. She also noted the updated application timelines and due dates, the updated spend down requirements, the updated maximum per-unit subsidy limits, and updated the list of counties. Upon motion by Ms. Armstrong and a second by Mr. Mustain, the motion to approve the 2023 National Housing Trust Fund Program description was carried.

Chair McMullen recognized Cynthia Peraza, Director of Community Programs, to present the 2023 ERA Eviction Prevention Program Description, as outlined in the memo dated December 5, 2022, from herself and Don Watt, found in the board packet. Ms. Peraza highlighted this program will let THDA make \$25,000,000 available for the administration of the 2023 THDA Emergency Rental Assistance Eviction Prevention Program (“ERA-EPP”) and will retain \$1,000,000 (4% of the allocation) for Administrative costs. The remaining \$24,000,000 will be used to fund the approved Grantees competitively and non-competitively for the programmatic and administrative costs. Ms. Peraza asked the committee to approve the 2023 ERA Eviction Prevention Program Description as presented and outlined in the board materials. Upon motion by Mr. Mustain and a second by Ms. Armstrong, the motion carried.

Chair McMullen recognized Cynthia Peraza, Director of Community Programs, to present the 2023 HOME ARP Supportive Services Program Description, as outlined in the memo dated January 3, 2023, from herself and Don Watt, as presented in the board materials. Ms. Peraza highlighted that this program allows THDA to set aside \$5,659,525 of HOME-ARP funds to

implement the 2023 HOME-ARP Supportive Services Program Description to provide financial services and/or supportive services to vulnerable populations including, homeless, at risk of homelessness and individuals and families experiencing housing instability. Ms. Peraza asked the committee to approve the 2023 HOME ARP Supportive Services Program Description as presented and outlined in the board materials. Mr. McMullen asked Ms. Peraza what Supportive Services include. Ms. Peraza provided an example of a few eligible expenses under Supportive Services and explained that the full list of services can be found on page six of the program description. Upon motion by Ms. Armstrong and a second by Mr. Mustain, the motion carried.

Chair McMullen recognized Cynthia Peraza, Director of Community Programs, to present the Grant Extension Request for Grantees with COVID Related Delays as outlined in the memo dated January 3, 2023, from herself and Don Watt, found in the board packet. This program recommends a one-year grant extension for Grantees listed in the memo who experienced a delay in completing their projects due to unexpected construction cost increases that impeded their ability to complete their projects in time. Mr. Mustain inquired about whether these delays were COVID related, supply chain related, or inflation related. Ms. Peraza explained that THDA categorizes them as COVID-related delays at this time because COVID's industry impact increased the overall project cost from the initial anticipated project costs. Mr. Mustain also inquired when the projects end normally. Ms. Peraza explained that they would normally end in 2023. Mr. McMullen inquired if THDA is confident that they will finish within the new deadline. Ms. Peraza replied yes. Ms. Peraza asked the committee to approve the Grant Extension Request for Grantees with COVID Related Delays as presented and outlined in the board materials. Upon motion by Mr. Mustain and a second by Ms. Armstrong, the motion carried.

With no further business, Chair McMullen adjourned the meeting at 10:33 AM CT.

Respectfully submitted,

Ralph M. Perrey  
Executive Director  
Approved this 21<sup>st</sup> day of March, 2023

TENNESSEE HOUSING DEVELOPMENT AGENCY  
LENDING COMMITTEE MEETING MINUTES  
January 24, 2023

Pursuant to the call of the Chairman, the Lending Committee (the “Committee”) of the Tennessee Housing Development Agency (“THDA”) Board of Directors (the “Board”) met in regular session on Tuesday, January 24, 2023, at 10:34 AM CT, in the Tennessee Room #2 of the William R. Snodgrass Tennessee Tower Building 312 Rosa Parks Blvd; Nashville, TN 37243.

The following Committee members were present: Acting Chair Matt McGauley, Rob Mitchell and Alex Schuhmann (for Commissioner Jim Bryson). Those absent were: Chrissi Rhea and Rick Neal.

Recognizing a quorum present, Acting Chair McGauley called the Lending Committee meeting to order and asked for consideration of the May 24, 2022 meeting minutes. Upon motion by Mr. Mitchell and a second by Mr. Schuhmann, the motion carried and the minutes were approved.

Acting Chair McGauley recognized Lindsay Hall, THDA Chief Operating Officer for Single Family Programs, to present on the 2023 Housing Cost Index and Resolution, as outlined in the memo of the same name dated December 23, 2022, from Dr. Huya Arik, THDA Economist and Dhathri Chundururu found in the board packet. Ms. Hall highlighted that the Housing Cost Index is an annual requirement for the Agency according to our enabling legislation. The housing cost index serves to determine what percentage of the average Tennessee household’s gross monthly income is required to pay for primary fixed housing costs under then existing market conditions. If the housing cost index exceeds 25%, the legislature determined that a majority of Tennessee citizens are excluded from the normal housing market and that indicates a need for THDA financial assistance programs to aid in providing adequate housing for lower and moderate income persons and families. This year’s Housing Cost Index is 38.24%. Upon a motion by Mr. Mitchell and a second by Mr. Schuhmann the motion to approve the 2023 Housing Cost Index and Resolution as was carried.

There being no questions and no further business, Acting Chair McGauley adjourned the meeting at 10:39 AM CT.

Respectfully submitted,

Ralph M. Perrey  
Executive Director  
Approved the 21<sup>st</sup> day of March 2023.

TENNESSEE HOUSING DEVELOPMENT AGENCY  
RENTAL ASSISTANCE COMMITTEE MEETING MINUTES  
September 27, 2022

Pursuant to the call of the Chairman, the Rental Assistance Committee (the “Committee”) of the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, September 27, 2022, at 10:55 AM CT in the Nashville Room of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following committee members were present in person: Acting Chair, Matt McGauley and Rob Mitchell. The following committee members were present telephonically: John Snodderly and Tennion Reed. Those absent were: Todd Skelton

Recognizing the need to conduct the meeting with members in person and on the phone, Chair McGauley called upon Chief Legal Counsel, Bruce Balcom, to read the Electronic Meetings statement:

“Certain Committee members will be participating in this meeting by telephone as authorized by Tennessee Code Annotated Section 8-44-108. Notice was posted stating that this meeting would be conducted in this fashion. This meeting is being conducted in this manner because the matters to be considered by the Committee/Board today require timely action and the physical presences for a sufficient number of members to constitute a quorum is not possible within the time frame in which action is required. Therefore, it is necessary for some members to participate via telephone. Committee/Board members participating by telephone were sent documents relevant to today's meeting.”

With a motion by Mr. McGauley and a second by Mr. Mitchell, and a roll call vote with 4 ayes, a motion was approved to conduct the meeting in this manner.

Chair McGauley then asked for consideration of the July 19, 2022, meeting minutes. Upon motion by Mr. Snodderly and a second by Mr. Mitchell and a roll call vote with 4 ayes, the motion carried and the minutes were approved.

Chair McGauley recognized Jeboria Scott, Director of the Rental Assistance Division, to present the Housing Choice Voucher (Project-Based Vouchers) pilot program for formal approval by the Committee and Board. She referenced the Housing Choice Voucher (Project-Based Vouchers) pilot program outlined in the memo dated September 12, 2022, from Jeboria Scott, Director of Rental Assistance and Don Watt, Chief Programs Officer in the board materials. She highlighted the Division's evaluation of an initial 5% of existing Housing Choice Vouchers (HCV) as Project-Based Vouchers (PBV) in order to increase the availability of units for vulnerable low-income Tennesseans in two phases – Phase one in 2022 in association with the National Housing Trust Fund and HOME-ARP resources and Phase two in association with the 2024 Low Income

Housing Credit Program. With a motion by Mr. Mitchell and a second by Mr. Snodderly, and a roll call vote with 4 ayes, the motion to approve the Project-Based Voucher Pilot Program as presented and outlined in the board materials was passed.

With discussion concluded and no further business, the meeting was adjourned at 11:03 CT.

Respectfully submitted,

Ralph M. Perrey  
Executive Director

Approved this 21<sup>st</sup> of March, 2023

Draft

TENNESSEE HOUSING DEVELOPMENT AGENCY  
RENTAL ASSISTANCE COMMITTEE MEETING MINUTES  
January 24, 2023

Pursuant to the call of the Acting Chairman, the Rental Assistance Committee (the “Committee”) of the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday, January 24, 2023, at 10:37 AM CT in the Tennessee Room #2 of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following committee members were present in person: Acting Chair Rob Mitchell and Matt McGauley. Those absent were John Snodderly, Tennion Reed, and Dan Springer.

Recognizing that a quorum was not present, Chair Mitchell called the Rental Assistance Committee meeting to order and asked that we forego the review of the minutes in the board packet, and asked that those minutes be placed in front of the next Rental Assistance Committee meeting, along with the minutes from this meeting, for review and approval.

Chair Mitchell recognized Ms. Jeboria Scott, Director of Rental Assistance, to present an update on the Homeownership Option of the Housing Choice Voucher Program for consideration. Ms. Scott referenced the description of the Homeownership Option outlined in the memo dated January 6, 2023, from herself and Don Watt, Chief Programs Officer, in the board materials. Ms. Scott highlighted that the program started in 2001, and since then, only 116 homes have been purchased. She described the challenges to homeownership that exist for the borrowers, the difficulties of implementing a two mortgage payment model, and the reluctance of lenders to participate. Ms. Scott requested approval to inform HUD of THDA’s discontinuation of the Homeownership Option of the Housing Choice Voucher Program. Ms. Akbari inquired as to if there will be alternatives when this program is discontinued. Ms. Scott explained that THDA will continue to work with partners and provide counseling. Upon motion by Mr. Mitchell and a second by Mr. McGauley, the motion to recommend this action to the Board for approval was carried.

With discussion concluded and no further business, the meeting was adjourned at 10:45 AM CT.

Respectfully submitted,

Ralph M. Perrey  
Executive Director  
Approved this 21<sup>st</sup> day of March, 2023

TENNESSEE HOUSING DEVELOPMENT AGENCY  
TAX CREDIT COMMITTEE MEETING MINUTES  
November 15, 2022

Pursuant to the call of the Chairman, the Tax Credit Committee (the “Committee”) of the Tennessee Housing Development Agency (THDA) Board of Directors (the “Board”) met in regular session on Tuesday November 15, 2022, at 10:45 AM CT in Tennessee Room #2 of William R. Snodgrass Tennessee Tower Building, Nashville, Tennessee.

The following committee members were present in person: Chair John Snodderly, Matt McGauley, Rob Mitchell, Alex Schuhmann (for Commissioner of F&A Jim Bryson), Sara Queirolo (for Treasurer David Lillard). Those absent were Secretary of State Tre Hargett.

Recognizing a quorum present, Chair Snodderly called the Tax Credit Committee meeting to order and asked for consideration of the September 27, 2022 meeting minutes. Upon motion by Mr. Mitchell and a second by Mr. Schuhmann, the motion carried and the minutes were approved.

Chair Snodderly recognized Eric Alexander, Director of Multifamily Programs, to present the 2023 Multifamily Tax Exempt Bond Allocation program as outlined in the memo of the same name dated October 31, 2022, from himself and Don Watt, found in the board packet. Mr. Alexander highlighted the process and timeline of review and public comment for this plan and offered to walk the committee through specific updates and revisions to the program. Upon motion by Mr. Mitchell and a second by Mr. Schuhmann the motion to approve the 2023 Multifamily Tax Exempt Bond Allocation program was carried

Chair Snodderly recognized Eric Alexander, Director of Multifamily Programs, to present the 22-801 Purdy Place Exchange Request as outlined in the memo of the same name dated October 31, 2022, from himself and Don Watt, found in the board packet. Mr. Alexander highlighted that this request for a site change and credit subsequent credit exchange was due to circumstances beyond the Developers control, specifically insufficient water pressure to meet State fire suppression ratings for a multifamily development. Upon motion by Mr. Mitchell and a second by Mr. Schuhmann the motion to approve the 22-801 Purdy Place Exchange Request was carried.

With no further business, the meeting was adjourned at 10:50 AM CT.

Respectfully submitted,

Ralph M. Perrey  
Executive Director  
Approved this 24<sup>th</sup> of January, 2023





# Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
502 Deaderick Street, Nashville, TN 37243

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## MEMORANDUM

**TO:** Tennessee Housing Development Agency Board of Directors

**FROM:** Cynthia Peraza, Director of Community Programs  
Don Watt, Chief Program Officer

**SUBJECT:** 2022 HOME-ARP Rental (Round 1) Funding Awards

**DATE:** February 22, 2023

### SUPPLEMENTAL ITEM:

Attached is the approved funding matrix associated with the award of funds under the 2022 HOME-ARP Rental Housing Development Program Description for the HOME-ARP Rental Program (the “Program”). The Tennessee Housing Development Agency (“THDA”) made \$15 million available to award for the Program and received eight (8) applications requesting over \$15.4 million in Program funds. Only five (5) applications passed threshold.

THDA conditionally awarded all five (5) applications with \$10,074,934 in Program funds to help create 81 new affordable housing units in Tennessee. Below are the list of applicants that received awards:

- Franklin Housing Authority - Middle Region
- Highland Residential Services - Middle Region
- Knoxville Leadership Foundation - East Region
- Liberty Place Knoxville Corporation (KCDC) - East Region
- Aim Center, Inc. - East Region

The following chart provides a list of applicants that did not receive an award and the reason for not passing threshold eligibility:



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA  
THDA is an equal opportunity, equal access, affirmative action employer.



<b>Not Eligible/ Failed Threshold</b>	<b>Project Name</b>	<b>Region</b>	<b>Score</b>	<b>Funds Requested</b>	<b>Reason</b>	<b>Total Units</b>	<b>HOME- ARP Units</b>
Emory Valley Center	Wadsworth Rehab Project	E	50	\$990,750	The 30-year proforma does not demonstrate long-term viability based on underwriting; Did not reach the 60-point threshold requirement.	2	2
Greater Kingsport Alliance for Development	Dale Street Homes	E	56	\$1,871,666.75	Did not reach the 60-point threshold requirement.	10	10
EHF Memphis, LLC	The Memphian	W	46	\$2,500,000	No Audit; Inconsistent number of HOME-ARP Units in application; The 30-year proforma does not demonstrate long-term viability based on underwriting; Did not reach the 60-point threshold requirement.	25	25



# Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
502 Deaderick Street, Nashville, TN 37243

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

**TO:** Tennessee Housing Development Agency Board of Directors  
**FROM:** Cynthia Peraza, Director of Community Programs  
Don Watt, Chief Programs Officer  
**DATE:** February 22, 2023  
**SUBJECT:** 2022 Tennessee Housing Trust Fund Eviction Prevention Pilot Program  
Program Description Update

## **Recommendation:**

Staff recommends that the Board approve the following changes made to the Eviction Prevention Pilot Program Program Description:

- Adoption of the attached updated 2022 THTF Eviction Prevention Pilot Program Description (“Program Description”);
- Authorize the Executive Director or a designee to award the 2022 Tennessee Housing Trust Fund grant to the Chattanooga Regional Homeless Coalition (the “Coalition”); and
- Allow the Chief Legal Counsel or Assistant Chief Legal Counsel to make nonsubstantial changes and substantial changes if needed to comply with Tennessee Housing Trust Fund (“THTF”) requirements.

## **Key Changes:**

After further conversations with the Community Foundation of Greater Chattanooga (the “Foundation”), it was determined that the funds need to be granted directly to the Coalition, since it administers and provides direct assistance for the Eviction Prevention Initiative.

## **Background:**

In September 2022, the Board approved Tennessee Housing Development Agency (“THDA”) to set aside \$100,000 of the THTF funds to create a partnership between THDA and the Foundation to award a grant to supplement their existing Eviction Prevention Initiative to prevent evictions and reduce homelessness in Hamilton County. After further conversations with the Foundation, it was determined that the grant funds need to be granted directly to the Coalition, since it administers and provides direct assistance for the Eviction Prevention Initiative.

The Foundation has agreed to contribute a \$50,000 budget allocation from the City of Chattanooga as the 50% match contribution on behalf of the Coalition.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA  
THDA is an equal opportunity, equal access, affirmative action employer.





## **2022 TENNESSEE HOUSING TRUST FUND EVICTION PREVENTION PILOT PROGRAM**

### **INTRODUCTION**

The Eviction Prevention Pilot Program (“Pilot Program”) is a partnership between the Tennessee Housing Development Agency (“THDA”) and the Chattanooga Regional Homeless Coalition (the “Coalition”) to award a grant from the Tennessee Housing Trust Fund (“THTF”) to provide funding for an Eviction Prevention Initiative (“EPI”) in Hamilton County. The Pilot Program funds will be made available to all eligible residents of Hamilton County, subject to funding limitations.

### **ADMINISTRATION**

The EPI is an existing program that uses local and other grant funds, donations, and organizational resources to assist low-income households that are facing eviction or homelessness and live within Hamilton County by providing legal assistance and/or case management to support legal negotiations and to increase a household’s likelihood of housing stability. The THTF funds provided under this Pilot Program would expand the financial capacity of the existing EPI.

The Grant Term will begin on October 1, 2022 and run through September 30, 2025. All unexpended funds must be returned to THDA within 45 calendar days of the end of the grant term.

### **PROGRAM FUNDING**

1. \$100,000 grant from THDA.
2. The Coalition will match 50% of the THDA grant through an existing budget allocation from the City of Chattanooga in the amount of \$50,000 before September 30, 2022.

### **PROGRAM GOALS:**

1. Strengthen housing stability through legal representation and case management;

2. Collect and share data to gauge the scope of the current eviction crisis to inform in the creation of policy solutions; and
3. Build community education and awareness around housing issues and affordability in our community.

## **PROGRAM REQUIREMENTS**

### 1. **Income Limits**

The Pilot Program will assist households at or below 200% of the 2022 Federal Poverty Level. In cases of fluctuating and/or changed income, a household's average income may be established based on the three (3) months of income prior to the household's EPI intake.

### 2. **Eligible Applicants**

- a. The Coalition will use its current application and process for the EPI;
- b. Applicants must be income-qualified residents of Hamilton County; and
- c. There must be an opportunity for stability. EPI project attorneys and social workers will utilize their professional discretion to determine whether the assistance funds will actually increase a household's likelihood of housing stability and will only submit a request if they can answer in the affirmative. This discretion is based on their assessment of each household's specific situation and all records of such decision must be maintained in the EPI case notes for review and analysis.

### 3. **Subsidy Limit**

A household is eligible for multiple submissions, as needed, but only up to \$3,000 within an 18-month period. If a household receives the maximum benefit of \$3,000 within any 18-month period, then that household is ineligible for more funding until 18 months after the last submission that put them at the maximum benefit.

### 4. **Eligible Costs**

Eligible costs include those costs that are deemed necessary to prevent eviction or homelessness or to provide housing stability, all within the discretion of the EPI project attorneys or social workers.

### 5. **Form of Assistance**

Only an EPI project attorney or social worker may request an EPI Check Request, which will be paid to landlords and third parties as needed.

**6. Marketing**

The Coalition will utilize community and non-profit resources and networks, local media, and other earned media resources to promote the Pilot Program.

**7. Reporting**

The Foundation will provide status reports to THDA in an agreed upon format at scheduled interims as determined by THDA. This reporting will include, but is not limited to, the following components:

- Beneficiary name, physical address of residence, and contact information
- Beneficiary household size and income
- Date of application approval
- Description of assistance provided to Beneficiary
- Amount of assistance provided to Beneficiary
- Final outcome
- Final activity report
- Reconciliation of program funds provided in this grant



# Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
502 Deaderick Street, Nashville, TN 37243

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

**TO:** Tennessee Housing Development Agency Board of Directors  
**FROM:** Ralph M. Perrey, Executive Director  
**DATE:** March 9, 2023  
**SUBJECT:** CONVERGENCE-Memphis Grant Request

## **Recommendation:**

Approval of a grant of \$250,000 to CONVERGENCE-Memphis in support of the efforts Outlined in this memo and described in detail in the accompanying materials.

## **Background:**

In March 2020, the Mortgage Bankers Association in partnership with the Tennessee Housing Development Agency launched CONVERGENCE-Memphis, a pilot initiative aimed at increasing the homeownership rate among African Americans. Memphis was the first city chosen by the MBA for this effort. This effort has since expanded to Columbus, Ohio and Philadelphia, Pennsylvania.

THDA has been involved in CONVERGENCE from the beginning, providing \$20,000 in start-up funding and helping connect the MBA with key partners among Memphis' lenders, realtors, non-profits and civic leadership.

The onset of COVID, just ten days after CONVERGENCE- Memphis started set back efforts for over a year. CONVERGENCE-Memphis is now a free-standing 501c3. It has a board of directors led by former THDA Board Vice Chair Dorothy Cleaves, paid staff, and an action plan to attract significant funds from public, private and philanthropic sources. THDA's grant of \$250,000 would support that effort.

These funds would support three specific initiatives:

- Enhanced shared marketing and outreach efforts within the African American community in Memphis, notably through expansion of the Home 901 website.
- A fund to allow CONVERGENCE and its partners to move quickly to acquire homes and building sites before they are snapped-up by out-of-town investors, who often lock them up as long-term rentals, rather than homeownership opportunities for first-time buyers.
- A fund to support professional development and community engagement, raising awareness among lenders, realtors and other industry professionals about available mortgage financing, down payment options, and counseling support..



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA  
THDA is an equal opportunity, equal access, affirmative action employer.



Supporting these activities is consistent with THDA's mission of expanding housing opportunity for Tennesseans and underscores our early support for CONVERGENCE, which was decisive in persuading the MBA to try its approach in Memphis first. CONVERGENCE also represents a business opportunity for THDA, as any of the participating lenders can utilize THDA mortgage products and down payment assistance. As an added benefit, the participation of large national and regional lenders in CONVERGENCE has increased their willingness to work with THDA.

For additional detail on CONVERGENCE-Memphis and the specific purposes for which THDA funds would be utilized, please see the supporting materials which accompany this memo.



# CONVERGENCE

UNITING FOR  
HOUSING AFFORDABILITY

# MEMPHIS

## CONVERGENCE Memphis Request for Financial Support

### Overview

CONVERGENCE Memphis, launched in March of 2020 under the leadership of the Mortgage Bankers Association (MBA) and the Tennessee Housing Development Agency (THDA), is a place-based collective impact initiative focused on addressing the racial homeownership gap in Memphis. The initiative brings together local stakeholders from the public, private, and nonprofit sectors, along with national partners, to address barriers to homeownership by bridging the information, trust, resource, and market gaps in Memphis. Currently, CONVERGENCE Memphis has over 50 stakeholder organizations and over 120 individuals engaged in our work, as well as a robust three-year strategic plan.

As CONVERGENCE Memphis enters a new stage in its evolution, we are seeking financial support from THDA and other stakeholders to build on our progress. These resources would be deployed to leverage and amplify existing programs and resources and test new, locally driven solutions. Importantly, MBA has committed \$100,000 to help fund CONVERGENCE Memphis in 2023, so any capital from THDA would be supplemented by this contribution as well as expected donations from other national and community stakeholders.

The following matrix outlines how resources might be deployed, based on input from the leadership and board of directors for CONVERGENCE Memphis, the locally based 501(c)(3) now managing the day-to-day operations of the initiative.

### Request for Financial Support

CONVERGENCE Memphis requests financial support for the following activities:

Activity	Description
<b>Local Shared Marketing &amp; Outreach Campaign modeled after the Home 901 website.</b>	Develop a shared education and marketing campaign to educate consumers about the benefits of homebuyer education and counseling. Allows for a locally based “one stop” shop (perhaps repurposing the existing “Home 901” web portal) as a repository and clearing house for consumers seeking homeownership assistance via CONVERGENCE Memphis. By partnering with community validators (local community groups that are trusted by residents), we can raise consumer awareness

	<p>and provide residents with valuable resources/connections to assist them in their homeownership journey.</p> <p>A detailed description of this program, along with other potential programs, is attached as <u>Appendix A</u>.</p>
--	---

<b>Activity</b>	<b>Description</b>
<b>Property Acquisition Program</b>	<p>A program to quickly acquire and repurpose existing properties/lots for renovation or construction of homes for first-time owner occupants. The goal is to obtain properties before investor buyers, and thus preserve for affordable homeownership. The program would utilize the strategic market program developed by CoreLogic, in collaboration with local non-profits and others, to ensure targeted investments for maximum community growth and stability.</p> <p>A detailed description of this program is attached as <u>Appendix B</u>.</p>

<b>Activity</b>	<b>Description</b>
<b>Professional Development &amp; Community Engagement</b>	<p>Conduct professional development training/education for real estate agents, mortgage lenders, and other industry professionals to raise awareness of programs, products, and practices that can help address the racial homeownership gap.</p> <p>Research shows a lack of awareness by many industry participants about existing resources for promoting homeownership, especially for LMI and first-time buyers. Strategic outreach and education/training can elevate this awareness and demonstrate how to better utilize available resources/programs. These efforts can also enhance collaboration and coordination among different partners in the homebuying transaction. Finally, these forums can provide insights on new approaches and fresh ideas.</p> <p>A detailed description of this program, along with other potential programs, is attached as <u>Appendix A</u>.</p>

## **Expected Outcomes**

As a result of the above activities, CONVERGENCE Memphis expects the following outcomes:

- Potential homebuyers will have an increased understanding of the homebuying journey and be connected to education, counseling, programs, and resources to help them obtain homeownership.
- Real estate, lender, and non-profit housing professionals will have an increased knowledge of the range of products and programs available to their clients for homeownership, including flagship offerings from THDA. These stakeholders will have a better understanding of the CONVERGENCE model and see the benefits of working in collaboration with each other.
- An innovative “property acquisition program” will be launched to help address the inventory challenges for first-time homebuyers, especially with respect to investor purchases of single-family homes. This program will be tested both to deal with current market challenges, as well as to create a scalable long-term solution for owner-occupant buyers.
- The CONVERGENCE Memphis activities will serve as models for other CONVERGENCE locations to replicate, including the CONVERGENCE programs in Columbus and Philadelphia.

## **Closing**

These activities intend to support the efforts of CONVERGENCE Memphis to address the information, trust, and resource gaps that create barriers to homeownership for potential homebuyers. The activities also provide a meaningful way for CONVERGENCE Memphis to engage with local and national stakeholders to create sustainable and replicable resources and programs that can be utilized as part of a long-term effort to close the racial homeownership gap.



## Promoting African American Homeownership in Memphis

### **CONVERGENCE Memphis Accelerator Fund** *Leveraging & Multiplying Resources for Maximum Impact*

#### **About CONVERGENCE Memphis**

CONVERGENCE Memphis is an initiative led by the Mortgage Bankers Association (MBA) and Tennessee Housing Development Agency (THDA) to increase African American homeownership in Memphis, Tennessee. CONVERGENCE Memphis is working with a broad cross-section of local, state, and national stakeholders to align and amplify existing homeownership resources while also attracting new resources to leverage what exists and test new ideas. Addressing the decades-long racial homeownership gap will require strong collaboration, innovation, and perseverance – qualities that define the CONVERGENCE Memphis partnership model.

#### **Overview of the CONVERGENCE Memphis 501c3**

CONVERGENCE Memphis has formed a 501c3, governed by an independent Board of Directors that oversees the sources and uses of funds raised to support program efforts. Programs selected for funding for the 501c3 address the following principles:

- Demonstrate a significant, quantifiable effect with respect to increasing sustainable African American homeownership rates in Memphis and in low- to moderate-income (LMI) communities
- Are relatively easy to execute internally by 501c3 staff with modest administrative requirements
- Demonstrate both short-term and long-term impacts, that grow linearly over time
- Allow for broad housing ecosystem participation, where applicable
- Work within the logic model of identified obstacles to homeownership for communities of color

#### **Overview of Programs**

The CONVERGENCE Memphis 501c3 is looking to raise funds to support certain community engagement programs aimed at increasing African American homeownership and closing the racial wealth gap. Donor contributions would go toward a “CONVERGENCE Memphis Accelerator Fund,” and could be designated for specific Program (see below) or for a “General” fund with program allocation decisions made by the independent Board of Directors.

Below is an overview of programs under consideration, their value proposition, and how funds would be utilized. These programs are intended to produce both economic and social benefits for Memphis.

#### **CONVERGENCE Memphis Accelerator Fund – Key Programs**

- #1 Special Purpose Credit Equity Program (SPCP) for LMI & Black, Indigenous, and People of Color (BIPOC) homebuyers**
- Signature affinity program with the Homeownership Council of America (HCA), a social enterprise, to provide funds for downpayment assistance and/or rate buydowns for LMI or BIPOC consumers.
  - Shared funding model of local partners for a local pool of funds with process efficiencies.
  - Seeded with local and national funds to achieve a collective impact.
  - Partners with local HUD approved organizations to assist aspiring homeowners.
  - Available through any participating mortgage lender with a qualified borrower/applicant.

Value Proposition:

*Allows consumers to access funds for downpayment assistance or rate buy-downs to make homeownership more attainable/affordable. This program addresses one of the main obstacles to homeownership for first-time homebuyers. The SPCP program also allows for an intentional and strategic focus on African Americans and other underserved borrowers, with greater operational ease and flexibility for consumers and lenders/funders. This program would complement other existing downpayment assistance programs rather than replicate or replace them, thus providing a more robust solution set.*

**#2 Local Shared Marketing & Outreach Campaign modeled after the Home 901 website**

- Web portal that promotes consumer awareness of homeownership resources and opportunities.
- Allows consumers to interact with homeownership advisors in a safe space.
- Provides on-line “Homebuyer Journey Map” with resource links.
- Marketing and advertising support for campaign site.
- Allows “Community Validators” to drive consumer traffic to a single resource portal.
- Tie-in with any applicable local events.
- Lead generator/router for CONVERGENCE partners.
- Also provides resources/assistance for homeowners in financial distress, thus preserving homeownership whenever possible.

Value Proposition:

*Allows for a locally based “one stop” shop (perhaps repurposing the existing “Home 901” web portal) as a repository and clearing house for consumers seeking homeownership assistance via CONVERGENCE Memphis. By partnering with community validators (local community groups that are trusted by residents), we can raise consumer awareness and provide residents with valuable resources/connections to assist them in their homeownership journey.*

**#3 Professional Development & Community Engagement**

- Conduct professional development training/education for real estate agents, mortgage lenders, and other industry professionals to raise awareness of programs, products, and practices that can help address the racial homeownership gap.
- Organize and host events that facilitate greater collaboration and new partnerships among different industry professionals, including with non-profits and community groups.
- Facilitate roundtables among these stakeholders to identify potential solutions to the homeownership obstacles for African Americans in Memphis, including new ideas and innovations.

Value Proposition:

*Research shows a lack of awareness by many industry participants about existing resources for promoting homeownership, especially for LMI and first-time buyers. Strategic outreach and education/training can elevate this awareness and demonstrate how to better utilize available resources/programs. These efforts can also enhance collaboration and coordination among different partners in the homebuying transaction. Finally, these forums can provide insights on new approaches and fresh ideas.*

**#4 Facilitate Entry-Level Housing Stock via In-Fill Development aligned with the Memphis 3.0 Plan**

- Strategic in-fill development via a collaborative approach (including builders, lenders, city officials and others) that utilizes a state-of-the-art Business Intelligence (BI) platform (provided by our strategic partner, CoreLogic). (The BI tool is free to local Memphis non-profit home builders, as well as stakeholders when participating in joint workshop modeling exercises under CONVERGENCE Memphis.)
- Funding to convert a February 2022 pilot into a live, operational program designed to convene critical local housing stakeholders to conduct real-time, collective modeling exercises (workshops), using the BI tool, with the goal of building 50-100 single-family, entry-level homes that are affordable to first-time homebuyers. (Incentives and/or restrictions would be put in place to keep the new homes occupied by residents, rather than investors, for a fixed period.)
- Funds would be used to help acquire and rehab/build properties with the goal of creating positive homeownership and home value growth while avoiding gentrification or other unintended consequences.
- Utilize a strategic approach that leverages the Memphis 3.0 plan and possible Memphis City Trust Funds to attract additional private/philanthropic contributions.
- Pilot/Test approaches to the appraisal gap challenge via targeted subsidies and/or alternative valuation techniques (e.g., cost approach).
- Workshops will be repeated programmatically, both to measure quantitative and qualitative key performance indicators (KPIs) and to iterate collective design exercises until the single-family, entry-level housing gap is eliminated in Memphis.

Value Proposition:

*Creates positive community development by jointly modeling, financing, and constructing just the “right” number of new single-family, entry-level homes in Memphis LMI neighborhoods that have the greatest likelihood of revitalizing the community without displacing existing residents. Concomitantly, by targeting the “right” styles and features of these homes in our designs, we can invest in a manner that overcomes the chronic deficit of comparable market sales for appraisals, thereby permitting future projects in these neighborhoods to fully appraise (and by extension increase the likelihood that LMI homeowners can access affordable mortgage loans). We also expect this approach to reduce the cycle time to obtain project approvals from double-digit months to three months or less, while increasing home builder capacity for annual project starts by 2x-4x.*

Program	Level
<b>__General “Accelerator Fund” Sponsorship</b>	○ <b>Partner</b> <b>No Minimum</b>
<b>__Special Purpose Credit Program for Down Payment Assistance</b>	○ <b>Silver</b> <b>\$20,000 / year.</b>
<b>__Local Shared Marketing &amp; Outreach Campaign</b>	○ <b>Gold</b> <b>\$50,000 / year</b>
<b>__Professional Development &amp; Community Engagement</b>	○ <b>Platinum</b> <b>\$100,000 / year</b>
<b>__Entry-Level Housing via In-Fill Development Strategy</b>	
<b>__Unrestricted Operating Funds Contribution</b>	

# CONVERGENCE

UNITING FOR  
HOUSING AFFORDABILITY

# MEMPHIS

## Draft Framework

### CONVERGENCE Memphis Property Acquisition Program for Homeownership

#### Overview:

CONVERGENCE Memphis believes that a new approach is needed to address the housing inventory challenges faced by low- to moderate-income and first-time homebuyers. Without the ability to quickly acquire properties and lots before investors purchase them, many residents will be shut out of the market. We have a plan to address this challenge.

By leveraging the property development expertise of local non-profits and coordinating with mortgage lenders, real estate professionals, and others, we can acquire properties/lots and ensure they are sold in a timely manner to qualified residents to promote homeownership and community stability. To accomplish this goal, we need additional financial resources to purchase and build/rehab properties. Our plan would allow most of these funds to be “recycled” as residents purchase homes, thus creating a virtuous cycle for helping more families.

#### About CONVERGENCE Memphis:

CONVERGENCE Memphis is an independent 501c3 in Memphis, Tennessee focused on facilitating new solutions that bring racial equity to homeownership. Founded by the Tennessee Housing Development Agency (THDA) and the Mortgage Bankers Association (MBA), the initiative involves over 50 organizations from the public, private, and non-profit sectors.

By linking local, state, and national stakeholders around a common plan, CONVERGENCE Memphis seeks to coordinate and leverage existing solutions as well as test new approaches. Our goal is to significantly close the racial homeownership gap in Memphis to create a more equitable housing market, promote economic well-being, and make Memphis a national model for solving this challenge.

#### Problem Statement

Memphis faces a shortage of affordable housing for homeownership, especially for first-time buyers. This challenge is exacerbated by investors who purchase properties for use as rental housing. The occupants of these properties often pay more in rent than they would if they owned them. This lack of affordable homes for purchase creates a vicious cycle where aspiring homeowners are locked out of the market, pay more for their shelter, and live in unstable communities.

#### Our Solution

CONVERGENCE Memphis, working with the Blight Authority of Memphis (BAM) as our fiscal agent and program administrator, will seek to purchase properties/lots before investors can acquire them. We will then coordinate with our Memphis non-profit community development partners (United Housing, Frayser CDC, and others) to create homes that are affordable for purchase by resident homeowners. Once these homes are purchased by residents, the funds will be recycled to help new aspiring homeowners. Some of our funds may be used as subsidies to enable non-profit builders or homebuyers to make these transactions affordable.

# CONVERGENCE

UNITING FOR  
HOUSING AFFORDABILITY

# MEMPHIS

## Key Program Highlights:

- Property Acquisition
  - By utilizing cash transactions, we can buy properties quickly, thus beating investors to the punch.
  - By combining sophisticated market analytics from CoreLogic, a national leader in property data solutions, with the qualitative expertise of our local partners, we can strategically identify properties that will help facilitate homeownership and community stability. Where appropriate, we will seek to align our strategy with the Memphis3.0 plan.
  - Our criteria for properties will ensure affordability for first-time and low- to moderate-income buyers.
  - Our criteria and guidelines for non-profit participation will ensure a strategic, equitable, and impactful use of our resources.
- Property Development
  - Our experienced program administrator (BAM) and non-profit partners will ensure that we establish clear ownership rights (“clean title”). They will also ensure that our properties have proper insurance and are safely/securely maintained for eventual transfer to resident homeowners.
  - Where necessary, subsidies for non-profit developers and/or homebuyers will be used to ensure affordability.
- Property Disposition
  - Our homebuyer criteria are centered on ensuring affordable and sustainable homeownership, with low- to moderate-income and first-time buyers as the beneficiaries.
  - Our lender partners will ensure responsible and affordable lending options for homebuyers.
  - By recycling funds from home purchases, we can continue to create new homeowners.

## Our Ask:

We need additional financial resources from the City of Memphis. Council members contributing to our program can do so knowing that the benefits will flow to their constituents seeking affordable homeownership and more stable communities. Our goal is to secure \$1 million in city council funds for use in 2023. These funds will be leveraged with financial commitments from other public, private, and non-profit sector partners.

## Summary:

The time to act is now. CONVERGENCE Memphis has an unparalleled network of local, state, and national partners willing to test innovative strategies to close the racial homeownership gap in Memphis. With your help, our “Property Acquisition Program for Homeownership” can make a positive impact for Memphis and serve as a national model for other communities facing these same challenges.

For more information, please contact:

**Phyllis G. Robinson**, Executive Director, CONVERGENCE Memphis, Inc.  
[phyllis@convergencememphis.org](mailto:phyllis@convergencememphis.org) or 901 295-5560





# Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
502 Deaderick Street, Nashville, TN 37243

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## MEMORANDUM

**TO:** Tennessee Housing Development Agency Board of Directors

**FROM:** Cynthia Peraza, Director of Community Programs  
Don Watt, Chief Program Officer

**SUBJECT:** 2023 Weatherization Assistance Program Application Submission Authorization

**DATE:** February 13, 2023

### Recommendation

Staff is recommending the Board authorize the Executive Director to:

- Determine whether submission of an application is in the best interest of the Tennessee Housing Development Agency (“THDA”);
- If so, submit an application to the U.S. Department of Energy (the “DOE”) for the 2023 Weatherization Assistance Program Year by the federal deadline of May 3, 2023, incorporating the changes noted below; and
- Approve changes deemed necessary, within his sole discretion, to meet the DOE program requirements.

### Key Points

THDA proposes the following material policy changes for the 2023 Program Year:

- Increase the Average Cost Per Dwelling Unit (“ACPU”) to the approved rate as published by the DOE annually to accommodate the cost increases to implement weatherization activities.

### Background

The DOE will be accepting applications from states for the Weatherization Assistance Program (“Program”) for its 2023 allocation, which runs from July 1, 2023 through June 30, 2024. Applications are due to the DOE no later than May 3, 2023.

The 2023 Program Year allocation for the State of Tennessee has been published and THDA anticipates receiving \$5,808,153. Approximately \$600,000 will be set-aside for Administrative costs, \$1,012,758 will be available for Training and Technical Assistance (“T&TA”), \$578,913 available for Readiness Funds, and approximately \$4.2 million will remain available for Program Costs. The activities carried out with the Program funding are subject to federal regulations found

at 10 CFR Part 440 ("WAP Regulations"). The annual application to the DOE defines the Program in Tennessee and requires that the Program be made available to eligible agencies that serve all counties in the state.

Eligible grantees for the Program funding are those agencies meeting the federal definition of an eligible entity, which includes Community Action Agencies ("CAAs") or other public or nonprofit entities selected based on public comment received during a public hearing conducted pursuant to the 10 CFR Part 440.14(a) and other appropriate findings regarding:

1. The Sub-grantee's experience and performance in weatherization or housing renovation activities;
2. The Sub-grantee's experience in assisting low-income persons in the area to be served; and
3. The Sub-grantee's capacity to undertake a timely and effective weatherization program.

Tennessee's Program annually allocates all funding to CAAs. The 2023 Program allocation will provide funding to cover three activities: Program, Readiness, and T&TA.

1. Program funds can be used to weatherize single-family (1-4 unit) residences for low-income households to help improve energy efficiency. Weatherization activities can include, but are not limited to repair or replacement of HVAC units, water heaters, insulation, windows and doors, lighting upgrades to energy efficient bulbs, low-flow showerheads and replacement of inefficient refrigerators. Weatherization of a home results in long-term savings as well as increasing the safety and comfort of the tenant.
2. Readiness funds are not normally part of the weatherization allocation. These funds provide the Subgrantees with a unique opportunity to cover conditions in the home that require repairs outside of the scope of Weatherization, such as asbestos abatement, fumigation for pest control, and extensive structural damage.
3. T&TA funds are used to cover ongoing training and technical assistance required for the Program throughout the year.

The Program and Readiness funding are allocated by county, based on the percentage of the low-income population residing in that county, as determined through Small Area Income and Poverty Estimates ("SAIPE") census data. The local agency will receive, if willing to participate, the allocation for the county or counties located in their service delivery area. THDA will retain funding for administrative expenses, program-related training, and technical assistance expenses as permitted under federal regulations.

Staff will also conduct public meetings to explain the Program and funding distribution and receive input on the Program operation and requirements.

The DOE approval of applications for the Program will be announced before the September 2023 Board Meeting. Staff will provide the Board with an update on participating agencies, Program updates, and any amendments to the approval plan.



# Tennessee Housing Development Agency

Andrew Jackson Building, Third Floor  
502 Deaderick Street, Nashville, TN 37243

**Bill Lee**  
Governor

**Ralph M. Perrey**  
Executive Director

## MEMORANDUM

**TO:** Tennessee Housing Development Agency Board of Directors

**FROM:** Cynthia Peraza, Director of Community Programs  
Don Watt, Chief Program Officer

**SUBJECT:** 2020 HOME Program Grant Extension Requests

**DATE:** February 14, 2023

### Recommendation

Staff recommends a one-year grant extension for the following Grantees who experienced a delay in completing their projects due to unexpected construction cost increases that impeded their ability to complete their projects in time.

The contract extensions will change the Grant Contract End Date as detailed below:

Program	Grantee	Funds Committed	Units Completed	Units in Process	Units Identified	Contract End Date	NEW End Date
2020 HOME Program	City of Dyer	\$400,400	0	4	4	6/30/2023	6/30/2024
2020 HOME Program	City of Paris	\$311,000	0	2	3	6/30/2023	6/30/2024
2020 HOME Program	City of Savannah	\$480,000	3	1	4	6/30/2023	6/30/2024
2020 HOME Program	DeKalb County	\$360,000	1	1	3	6/30/2023	6/30/2024
2020 HOME Program	Union City	\$154,500	0	1	2	6/30/2023	6/30/2024

### Background

Tennessee Housing Development Agency (“THDA”) awarded the 2020 HOME Program grants in July of 2020 in the midst of the COVID-19 pandemic. The Grantees listed above expressed challenges and delays related to the pandemic that included office closures, staff turnover, shortage of contractors, increase in building materials, and costs.

THDA staff is recommending a one-year extension for these Grantees to provide them with enough time to complete their grants.



Andrew Jackson Building Third Floor - 502 Deaderick St. - Nashville, TN 37243  
[THDA.org](http://THDA.org) - (615) 815-2200 - Toll Free: 800-228-THDA  
THDA is an equal opportunity, equal access, affirmative action employer.



EQUAL HOUSING OPPORTUNITY 99

## HOME Program Working Agreement Extension Request

The Tennessee Housing Development Agency (THDA) administers the federally funded HOME Program to promote the production, preservation and rehabilitation of single-family housing for low-income households through Cities and Non-profit organizations outside of local participating Jurisdictions.

The HOME Program requires Grantees to complete all projects, and have the projects ready for occupancy, within 3 years from the date the HOME Program Working Agreement is executed. Failure to complete all activities authorized under the Working Agreement within 3 years from the date of the Working Agreement will trigger repayment of any HOME funds expended to Grantee for said project. A Grantee may request a HOME grant Extension at any time during the grant period.

### **Extension Request Requirements:**

In order to be considered for a HOME grant extension, the Grantee must be in good standing in all THDA administered programs and meet one (1) of the following conditions:

- Delay in committing and expending program funds (non-administrative) was due to a State or Federal declared natural disaster, which occurred after the start of the Grant Term;
- Delay in project was due to significant issues encountered outside of Grantee's control, which has been previously communicated by the Grantee to THDA; or
- A minimum of 60% of the program funds (non-administrative) must be expended or under contract, at the time of request.

- If one (1) box was checked above, please proceed to page 2
- If no boxes were checked above, please do not proceed. THDA will not be able to consider your HOME Program extension request at this time.

Grantee Name: City of Dyer  
HOME Program Grant Round/Year: 2020

Date: 2/17/23

1. Provide a timeline of the grant activity that includes:

- a. The date the policies and procedures were passed: Jan. 25, 2021
- b. The date the initial public meeting was first publicized: May 19, 2021
- c. Which methods was it advertised: Newspaper (local)
- d. The date the initial public meeting was held: June 24, 2021 (Applications turned in on 7/14/21)
- e. How many applications were received from that meeting: 15
- f. How many were potentially qualified: 11
- g. The date the first work write up was done from the initial public hearing: 9/18/22

2. How effective was the initial public meeting: The meeting went very well. Several City of Dyer residents attended.

3. If a subsequent public meeting was required, provide the same timeline of information as above concerning that part of the process and an explanation of additional marketing efforts made to improve the outcome. N/A

- a. The date the subsequent public meeting was first publicized: -
- b. The date the subsequent public meeting was held: -
- c. How many applications were received from that meeting: -
- d. How many were potentially qualified: -
- e. The date the first work write up was done from the initial public hearing: -

Explanation or details around public meeting: -

4. The total amount of the grant that has been expended: \$ \_\_\_\_\_

5. A list of all draws, and the dates they were drawn:

Admin: Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Project: Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

(Attach a form if more room is necessary)

6. If there are any projects currently under contract or committed, provide the following information:

Owner Name: Jennifer McCall

Address: 345 E. Maple St., Dyer

Estimated Costs: \_\_\_\_\_

Status: Inspections are completed, preparing AD for pre-bid meeting

Expected Completion Date: \_\_\_\_\_

for contractors to see all 4 houses in Dyer.

Owner Name: Linda Moore

Address: 122 High St., Dyer

Estimated Costs: \_\_\_\_\_

Status: preparing AD for pre-bid meeting for contractors

Expected Completion Date: \_\_\_\_\_

Owner Name: Sue Fisher

Address: 106 Coolidge St., Dyer

Estimated Costs: \_\_\_\_\_

Status: Preparing AD for pre-bid meeting for contractors

Expected Completion Date: \_\_\_\_\_

Owner Name: Evelyn Raudon

Address: 403 E. College St., Dyer

Estimated Costs: \_\_\_\_\_

Status: Preparing AD for pre-bid meeting for contractors

Expected Completion Date: \_\_\_\_\_

\*All four projects will be advertised and bid at the same time.

Owner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Estimated Costs: \_\_\_\_\_

Status: \_\_\_\_\_

Expected Completion Date: \_\_\_\_\_

7. If there were extenuating circumstances, please give us the specific circumstance, when it was discovered and what efforts were made to resolve it prior to asking for the extension:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- Explanation Letter is attached

8. If you have any documents to support any of the above requested information, please send that along with this document. Please indicate if documentation is attached.

- Additional documentation is attached

Please answer all of the questions above and submit this information to THDA no later than 120 days prior to the end of the HOME Program Work Agreement.

Name of Requestor: NWTDD HOME Program Roll: HOME Program Administrator  
Signature: Loni Belton Date: 2/16/23

---

**For THDA Use Only:**

Date Received: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Length of Approval:  6 Months  12 Months

Community Programs Director's Determination  Approval  Denial

Extension Request Approved By Executive Director  Yes  No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Explanation of Determination:

---

---

---

---

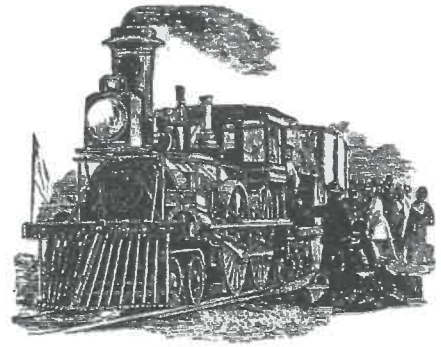
---

# CITY OF DYER

105 SOUTH MAIN STREET - DYER, TENNESSEE 38330-1920  
TELEPHONE: 731-692-3767 - FAX: 731-692-4222  
www.cityofdiertn.com

**Chris Younger**  
Mayor

**Nathan Reed**  
City Recorder



February 13, 2023

Cynthia Peraza, Director of Community Programs  
Tennessee Housing Development Agency  
Andrew Jackson Building Third Floor  
502 Deaderick Street  
Nashville, TN 37243

Subject: City of Dyer 2020 THDA HOME Grant - Request for Grant Extension

Dear Ms. Peraza,

I am sending this letter to request an extension for the City of Dyer THDA HOME Grant. The City's 2020 THDA HOME Grant expires June 30, 2023 and we are going to need more time to complete the grant. There have been several delays throughout this grant, concerning environmental reviews, scheduling inspections and lead base paint inspections, waiting on inspection reports, supply chain delays, and scheduling with contractors. Here is the current status of the grant projects:

- We have 4 projects that will soon have a pre-bid meeting and then a bid opening. 2 of the projects will be reconstruction and the other 2 will be rehabilitation.

As a result of the many delays, we would like to request a grant extension for 1 additional year and we will plan to have all the projects completed by June 30, 2024.

Sincerely,

Chris Younger  
Mayor, City of Dyer



## HOME Program Working Agreement Extension Request

The Tennessee Housing Development Agency (THDA) administers the federally funded HOME Program to promote the production, preservation and rehabilitation of single-family housing for low-income households through Cities and Non-profit organizations outside of local participating Jurisdictions.

The HOME Program requires Grantees to complete all projects, and have the projects ready for occupancy, within 3 years from the date the HOME Program Working Agreement is executed. Failure to complete all activities authorized under the Working Agreement within 3 years from the date of the Working Agreement will trigger repayment of any HOME funds expended to Grantee for said project. A Grantee may request a HOME grant Extension at any time during the grant period.

### **Extension Request Requirements:**

In order to be considered for a HOME grant extension, the Grantee must be in good standing in all THDA administered programs and meet one (1) of the following conditions:

- Delay in committing and expending program funds (non-administrative) was due to a State or Federal declared natural disaster, which occurred after the start of the Grant Term;
- Delay in project was due to significant issues encountered outside of Grantee's control, which has been previously communicated by the Grantee to THDA; or
- A minimum of 60% of the program funds (non-administrative) must be expended or under contract, at the time of request.

- If one (1) box was checked above, please proceed to page 2
- If no boxes were checked above, please do not proceed. THDA will not be able to consider your HOME Program extension request at this time.

Grantee Name: City of Paris  
HOME Program Grant Round/Year: 2020

Date: 2/17/23

1. Provide a timeline of the grant activity that includes:

- a. The date the policies and procedures were passed: Feb 4<sup>th</sup>, 2021
- b. The date the initial public meeting was first publicized: March 30<sup>th</sup>, 2021
- c. Which methods was it advertised: Newspaper (local)
- d. The date the initial public meeting was held: April 15, 2021
- e. How many applications were received from that meeting: 28
- f. How many were potentially qualified: 22
- g. The date the first work write up was done from the initial public hearing: June 13, 2022

2. How effective was the initial public meeting: The meeting was well attended and went over well.

3. If a subsequent public meeting was required, provide the same timeline of information as above concerning that part of the process and an explanation of additional marketing efforts made to improve the outcome. N/A

- a. The date the subsequent public meeting was first publicized: -
- b. The date the subsequent public meeting was held: -
- c. How many applications were received from that meeting: -
- d. How many were potentially qualified: -
- e. The date the first work write up was done from the initial public hearing: -

Explanation or details around public meeting: -

4. The total amount of the grant that has been expended: \$ \_\_\_\_\_

5. A list of all draws, and the dates they were drawn:

Admin:	Amount: \$ _____	Date: _____
	Amount: \$ _____	Date: _____
Project:	Amount: \$ _____	Date: _____
	Amount: \$ _____	Date: _____
	Amount: \$ _____	Date: _____
	Amount: \$ _____	Date: _____
	Amount: \$ _____	Date: _____

(Attach a form if more room is necessary)

6. If there are any projects currently under contract or committed, provide the following information:

Owner Name: David Smith

Address: 1302 McFadden St., Paris

Estimated Costs: \$155,500.00 (bid) + \$2,527 (fees) = \$158,027

Status: Under Contract, Contractor began this reconstruction job on Jan. 12<sup>th</sup>, 23

Expected Completion Date: 6/20/23

Owner Name: Rodney Burton

Address: 605 Depot St., Paris

Estimated Costs: \$156,051.00 (bid) + \$2,527 (fees) = \$158,578

Status: Under contract (reconstruction project)

Expected Completion Date: 6/20/23

Owner Name: Mildred Tharpe

Address: 723 W. Blythe St., Paris

Estimated Costs: Unknown currently

Status: Waiting on work write up from rehab coordinator

Expected Completion Date: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Estimated Costs: \_\_\_\_\_

Status: \_\_\_\_\_

Expected Completion Date: \_\_\_\_\_

Owner Name: \_\_\_\_\_

Address: \_\_\_\_\_

Estimated Costs: \_\_\_\_\_

Status: \_\_\_\_\_

Expected Completion Date: \_\_\_\_\_

7. If there were extenuating circumstances, please give us the specific circumstance, when it was discovered and what efforts were made to resolve it prior to asking for the extension:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- Explanation Letter is attached

8. If you have any documents to support any of the above requested information, please send that along with this document. Please indicate if documentation is attached.

- Additional documentation is attached

Please answer all of the questions above and submit this information to THDA no later than 120 days prior to the end of the HOME Program Work Agreement.

Name of Requestor: NWTDD HOME Program Roll: Administrator  
Signature: *Jim Bell* Date: 2/16/23

---

**For THDA Use Only:**

Date Received: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Length of Approval:  6 Months  12 Months

Community Programs Director's Determination  Approval  Denial

Extension Request Approved By Executive Director  Yes  No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Explanation of Determination:

---

---

---

---

---



Office of the Mayor  
[www.paristn.gov](http://www.paristn.gov)

Kathy Ray, Mayor  
[kray@cityofparistn.gov](mailto:kray@cityofparistn.gov)  
Phone: 731-641-1402

100 N. Caldwell St.  
P. O. Box 970  
Paris, TN 38242

February 13, 2023

Cynthia Peraza, Director of Community Programs  
Tennessee Housing Development Agency  
Andrew Jackson Building Third Floor  
502 Deaderick Street  
Nashville, TN 37243

**Subject:** City of Paris 2020 THDA HOME Grant - Request for Grant Extension

Dear Ms. Peraza,

I am sending this letter to request an extension for the City of Paris THDA HOME Grant. The City's 2020 THDA HOME Grant expires June 30, 2023 and we are going to need more time to complete the grant. There have been many delays throughout this grant, concerning environmental reviews, scheduling inspections and lead base paint inspections, waiting on inspection reports, supply chain delays, and scheduling start dates with contractors. Here is the current status of the grant projects:

We have 2 reconstruction projects under contract. We are waiting on 1 project to be inspected by the rehab coordinator and it may possibly need a lead base paint inspection as well. We plan to move forward with this project after the inspection reports are received.

Because of the delays, we would like a grant extension for 1 additional year and we will plan to have all the projects completed by June 30, 2024.

Sincerely,

Kathy Ray, Mayor  
City of Paris, Tennessee

*Mayor*  
BOB SHUTT  
*Vice Mayor*  
MATTHEW SMITH  
*Commissioners*  
KENT COLLIER  
STEPHEN JOHNSON  
BLAKE WHITE



*City Manager*  
GARRY WELCH  
*Assistant City Manager*  
BLAKE WALLEY  
*City Recorder*  
DANIELL PHILLIPS  
*City Attorney*  
DENNIS W. PLUNK

February 14, 2023

Cynthia Peraza  
Director, Community Programs Division  
Tennessee Housing Development Agency  
502 Deaderick Street  
Nashville, TN 37243

RE: HOME 2020 request for extension

Dear Ms. Peraza:

The City of Savannah is requesting a one-year extension (June 30, 2024) of the HOME 2020 Urban/Rural grant. Below are explanations:

1. The construction industry faced many challenges due to the COVID-19 pandemic, which included limited availability of workforce, limited supply of building products, and inflation.
2. The City of Savannah and Southwest TN CDC have both experienced turnover with the initial tenured staff that began the project.

Southwest TN CDC has completed four projects and are currently working on an additional property. Applications are being taken again in hopes of determining eligibility on one or two more properties in order to complete the grant.

We would appreciate Tennessee Housing Development Agency consider the extension of this grant for one more year.

Thank you,

Robert Shutt  
Mayor

## HOME Program Working Agreement Extension Request

The Tennessee Housing Development Agency (THDA) administers the federally funded HOME Program to promote the production, preservation and rehabilitation of single-family housing for low-income households through Cities and Non-profit organizations outside of local participating Jurisdictions.

The HOME Program requires Grantees to complete all projects, and have the projects ready for occupancy, within 3 years from the date the HOME Program Working Agreement is executed. Failure to complete all activities authorized under the Working Agreement within 3 years from the date of the Working Agreement will trigger repayment of any HOME funds expended to Grantee for said project. A Grantee may request a HOME grant Extension at any time during the grant period.

### **Extension Request Requirements:**

In order to be considered for a HOME grant extension, the Grantee must be in good standing in all THDA administered programs and meet one (1) of the following conditions:

- Delay in committing and expending program funds (non-administrative) was due to a State or Federal declared natural disaster, which occurred after the start of the Grant Term;
- Delay in project was due to significant issues encountered outside of Grantee's control, which has been previously communicated by the Grantee to THDA; or
- A minimum of 60% of the program funds (non-administrative) must be expended or under contract, at the time of request.

- If one (1) box was checked above, please proceed to page 2
- If no boxes were checked above, please do not proceed. THDA will not be able to consider your HOME Program extension request at this time.

Grantee Name: City of Savannah

Date: 2/16/2023

HOME Program Grant Round/Year: 2020

1. Provide a timeline of the grant activity that includes:

- a. The date the policies and procedures were passed: 10 /1/ 2020
- b. The date the initial public meeting was first publicized: 12/31/2020
- c. Which methods was it advertised: Savannah Courier
- d. The date the initial public meeting was held: January 12, 2021
- e. How many applications were received from that meeting: 23
- f. How many were potentially qualified: 7
- g. The date the first work write up was done from the initial public hearing: 9/21/2021

2. How effective was the initial public meeting: Of the 23 applications received, five projects have been completed or nearing completion. The next project will be a reconstruct, pending THDA approval. The extension will allow all funds to be spent by June 30, 2024.

3. If a subsequent public meeting was required, provide the same timeline of information as above concerning that part of the process and an explanation of additional marketing efforts made to improve the outcome.

- a. The date the subsequent public meeting was first publicized: \_\_\_\_\_
- b. The date the subsequent public meeting was held: \_\_\_\_\_
- c. How many applications were received from that meeting: \_\_\_\_\_
- d. How many were potentially qualified: \_\_\_\_\_
- e. The date the first work write up was done from the initial public hearing: \_\_\_\_\_

Explanation or details around public meeting: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

4. The total amount of the grant that has been expended: \$ 106,305.50

5. A list of all draws, and the dates they were drawn:

Admin: Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Project: Amount: \$ 24,277.00 Date: 5/3/2022

Amount: \$ 35,910.00 Date: 7/12/2022

Amount: \$ 46,118.50 Date: 10/6/2022

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

Amount: \$ \_\_\_\_\_ Date: \_\_\_\_\_

(Attach a form if more room is necessary)



6. If there are any projects currently under contract or committed, provide the following information:

**Owner Name:** Barbara Ross  
**Address:** 320 Cravens Rd, Savannah, TN 38372  
**Estimated Costs:** \$41,641.00  
**Status:** project completed with the exception of termite treatment  
**Expected Completion Date:** 2/28/2023

**Owner Name:** Deborah Wilson  
**Address:** 75 Meadowlane Dr, Savannah, TN 38372  
**Estimated Costs:** \$48,197.00  
**Status:** over 80% complete - contractor is waiting for homeowner to clean out last bedroom  
**Expected Completion Date:** 2/28/2023

**Owner Name:** Eunice Siner  
**Address:** 245 Harlem St, Savannah, TN 38372  
**Estimated Costs:** \$29,752.00  
**Status:** project completed with the exception of termite treatment  
**Expected Completion Date:** 2/28/2023

**Owner Name:** Janice Bumpous  
**Address:** 195 Clifton Rd, Savannah, TN 38372  
**Estimated Costs:** \$48,815.50  
**Status:** completed  
**Expected Completion Date:** \_\_\_\_\_

**Owner Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Estimated Costs:** \_\_\_\_\_  
**Status:** \_\_\_\_\_  
**Expected Completion Date:** \_\_\_\_\_

7. If there were extenuating circumstances, please give us the specific circumstance, when it was discovered and what efforts were made to resolve it prior to asking for the extension:

see attached letter  
\_\_\_\_\_  
\_\_\_\_\_

- Explanation Letter is attached

8. If you have any documents to support any of the above requested information, please send that along with this document. Please indicate if documentation is attached.

- Additional documentation is attached

Please answer all of the questions above and submit this information to THDA no later than 120 days prior to the end of the HOME Program Work Agreement.

Name of Requestor: ROBERT E. SHURT HOME Program Roll: HM-20-11  
Signature: [Signature] Date: 2/17/2023

**For THDA Use Only:**

Date Received: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Length of Approval:  6 Months  12 Months

Community Programs Director's Determination  Approval  Denial

Extension Request Approved By Executive Director  Yes  No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Explanation of Determination:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

## HOME Program Working Agreement Extension Request

The Tennessee Housing Development Agency (THDA) administers the federally funded HOME Program to promote the production, preservation and rehabilitation of single-family housing for low-income households through Cities and Non-profit organizations outside of local participating Jurisdictions.

The HOME Program requires Grantees to complete all projects, and have the projects ready for occupancy, within 3 years from the date the HOME Program Working Agreement is executed. Failure to complete all activities authorized under the Working Agreement within 3 years from the date of the Working Agreement will trigger repayment of any HOME funds expended to Grantee for said project. A Grantee may request a HOME grant Extension at any time during the grant period.

### **Extension Request Requirements:**

In order to be considered for a HOME grant extension, the Grantee must be in good standing in all THDA administered programs and meet one (1) of the following conditions:

- Delay in committing and expending program funds (non-administrative) was due to a State or Federal declared natural disaster, which occurred after the start of the Grant Term;
- Delay in project was due to significant issues encountered outside of Grantee's control, which has been previously communicated by the Grantee to THDA; or
- A minimum of 60% of the program funds (non-administrative) must be expended or under contract, at the time of request.

- If one (1) box was checked above, please proceed to page 2
- If no boxes were checked above, please do not proceed. THDA will not be able to consider your HOME Program extension request at this time.

Grantee Name: DeKalb County

Date: 2/9/23

HOME Program Grant Round/Year: 2020

1. Provide a timeline of the grant activity that includes:

- a. The date the policies and procedures were passed: 4/26/21
- b. The date the initial public meeting was first publicized: ~~4/15/21~~ 4/15/21
- c. Which methods was it advertised: local paper + radio
- d. The date the initial public meeting was held: 5/6/21
- e. How many applications were received from that meeting: 2
- f. How many were potentially qualified: 2
- g. The date the first work write up was done from the initial public hearing: 11/4/21

2. How effective was the initial public meeting: The initial public meeting only had 3 citizens attend <sup>however</sup> another public meeting was held on 5/13/21

3. If a subsequent public meeting was required, provide the same timeline of information as above concerning that part of the process and an explanation of additional marketing efforts made to improve the outcome.

- a. The date the subsequent public meeting was first publicized: 4/5/21
- b. The date the subsequent public meeting was held: 5/13/21
- c. How many applications were received from that meeting: 6
- d. How many were potentially qualified: 6
- e. The date the first work write up was done from the initial public hearing: N/A

Explanation or details around public meeting: This meeting was advertised along with the initial meeting. The county received a total of 37 applications but only 8 came from the public meetings

4. The total amount of the grant that has been expended: \$ 159,812

5. A list of all draws, and the dates they were drawn:

Admin:	Amount: \$ <u>30,000</u>	Date: _____
	Amount: \$ _____	Date: _____
Project:	Amount: \$ <u>38,375</u>	Date: <u>10/3/22</u>
	Amount: \$ <u>38,375</u>	Date: <u>11/3/22</u>
	Amount: \$ <u>79,282</u>	Date: <u>1/20/23</u>
	Amount: \$ <u>3,780</u>	Date: <u>2/1/23</u>
	Amount: \$ _____	Date: _____

(Attach a form if more room is necessary)

6. If there are any projects currently under contract or committed, provide the following information:

**Owner Name:** Kent Williams  
**Address:** 909 S College St Smithville, TN 37166  
**Estimated Costs:** \$159,812  
**Status:** Done  
**Expected Completion Date:** Completed

**Owner Name:** Patricia Darkine Jones  
**Address:** 141 Carter Dr Smithville, TN 37166  
**Estimated Costs:** \$153,000  
**Status:** Bidding (Bid opening scheduled for 2/24/23)  
**Expected Completion Date:** 8/31/23

**Owner Name:** Joshua & Julie Nugent  
**Address:** 307 W Main St Alexandria, TN 37012  
**Estimated Costs:** \_\_\_\_\_  
**Status:** \_\_\_\_\_  
**Expected Completion Date:** \_\_\_\_\_

**Owner Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Estimated Costs:** \_\_\_\_\_  
**Status:** \_\_\_\_\_  
**Expected Completion Date:** \_\_\_\_\_

**Owner Name:** \_\_\_\_\_  
**Address:** \_\_\_\_\_  
**Estimated Costs:** \_\_\_\_\_  
**Status:** \_\_\_\_\_  
**Expected Completion Date:** \_\_\_\_\_

7. If there were extenuating circumstances, please give us the specific circumstance, when it was discovered and what efforts were made to resolve it prior to asking for the extension:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

- Explanation Letter is attached

8. If you have any documents to support any of the above requested information, please send that along with this document. Please indicate if documentation is attached.

- Additional documentation is attached

Please answer all of the questions above and submit this information to THDA no later than 120 days prior to the end of the HOME Program Work Agreement.

Name of Requestor: Tommy Lee HOME Program Roll: Administrator  
Signature: [Signature] Date: 2/17/23

**For THDA Use Only:**

Date Received: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Length of Approval:  6 Months  12 Months

Community Programs Director's Determination  Approval  Denial

Extension Request Approved By Executive Director  Yes  No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Explanation of Determination:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



DeKalb County Mayor  
Matt Adcock

Cynthia Peraza  
Director of Community Programs  
Tennessee Housing Development Agency  
502 Deaderick Street  
Nashville, TN 37243

Ms. Peraza

DeKalb County would like to officially request an extension for the 2020 HOME rehabilitation grant until December 31, 2023. The reason for this request is that there have been a number of unique circumstances that have delayed the process. We have had two applicants with complete environmental assessments done and other prerequisites satisfied that ended up not being able to proceed with the next phase of the process. One of our applicants passed away before work was began and another applicant decided she no longer wanted to move forward with the project when our inspector arrived. We do have two homes selected and environmental assessments completed and approved for the next two applicants. We are ready to move to the bid and construction phases on these respective projects however after speaking with contractors, they have informed us that it will take approximately six (6) months to complete construction due to supply chain issues with HVAC units, cabinets and other components crucial to construction. We are honored to have been selected for this opportunity and if granted this extension, we know that we can positively impact the lives of two (2) DeKalb County citizens. If you have any questions or require further information, please contact me at 615-597-5175.

Matt Adcock  
County Mayor  
DeKalb County, Tennessee

## HOME Program Working Agreement Extension Request

The Tennessee Housing Development Agency (THDA) administers the federally funded HOME Program to promote the production, preservation and rehabilitation of single-family housing for low-income households through Cities and Non-profit organizations outside of local participating Jurisdictions.

The HOME Program requires Grantees to complete all projects, and have the projects ready for occupancy, within 3 years from the date the HOME Program Working Agreement is executed. Failure to complete all activities authorized under the Working Agreement within 3 years from the date of the Working Agreement will trigger repayment of any HOME funds expended to Grantee for said project. A Grantee may request a HOME grant Extension at any time during the grant period.

### **Extension Request Requirements:**

In order to be considered for a HOME grant extension, the Grantee must be in good standing in all THDA administered programs and meet one (1) of the following conditions:

- Delay in committing and expending program funds (non-administrative) was due to a State or Federal declared natural disaster, which occurred after the start of the Grant Term;
- Delay in project was due to significant issues encountered outside of Grantee's control, which has been previously communicated by the Grantee to THDA; or
- A minimum of 60% of the program funds (non-administrative) must be expended or under contract, at the time of request.

- If one (1) box was checked above, please proceed to page 2
- If no boxes were checked above, please do not proceed. THDA will not be able to consider your HOME Program extension request at this time.



Grantee Name: Union City

Date: 2/17/23

HOME Program Grant Round/Year: 2020

1. Provide a timeline of the grant activity that includes:

- a. The date the policies and procedures were passed: 1-19-21
- b. The date the initial public meeting was first publicized: 5-12-21
- c. Which methods was it advertised: News Paper
- d. The date the initial public meeting was held: 5-12-21
- e. How many applications were received from that meeting: 15
- f. How many were potentially qualified: 8
- g. The date the first work write up was done from the initial public hearing: 10/28/21

2. How effective was the initial public meeting: The public meeting went well.

3. If a subsequent public meeting was required, provide the same timeline of information as above concerning that part of the process and an explanation of additional marketing efforts made to improve the outcome.

- a. The date the subsequent public meeting was first publicized: \_\_\_\_\_
- b. The date the subsequent public meeting was held: \_\_\_\_\_
- c. How many applications were received from that meeting: \_\_\_\_\_
- d. How many were potentially qualified: \_\_\_\_\_
- e. The date the first work write up was done from the initial public hearing: \_\_\_\_\_

Explanation or details around public meeting: \_\_\_\_\_

4. The total amount of the grant that has been expended: \$273,419.00 (not including committed projects)

5. A list of all draws, and the dates they were drawn:

Admin:	Amount: \$ _____	Date: _____
	Amount: \$ _____	Date: _____
Project:	Amount: \$ <u>37,800</u>	Date: <u>8-4-22</u>
	Amount: \$ <u>19,350</u>	Date: <u>9-19-22</u>
	Amount: \$ <u>33,677</u>	Date: <u>11-29-22</u>
	Amount: \$ <u>43,727</u>	Date: <u>12-6-22</u>
	Amount: \$ <u>54,527</u>	Date: <u>12-13-22</u>

(Attach a form if more room is necessary) See Attached

#5

AmT

DATE

\$2500  
\$2500  
2500

11-1-22  
11-1-22  
11-1-22

6. If there are any projects currently under contract or committed, provide the following information:

**Owner Name:** Darrell Turner

**Address:** 1111 E. Vine St., Union City, TN

**Estimated Costs:** \$154,500

**Status:** Bids were taken on 2/16/23 & submitted on gms, project will go under

**Expected Completion Date:** \_\_\_\_\_ Contract next week (Feb. 21st-24).

**Owner Name:** Paulette Dysart

**Address:** 214 N. Clover St., Union City

**Estimated Costs:** -

**Status:** Waiting on work write up from the rehab coordinator

**Expected Completion Date:** \_\_\_\_\_

**Owner Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Estimated Costs:** \_\_\_\_\_

**Status:** \_\_\_\_\_

**Expected Completion Date:** \_\_\_\_\_

**Owner Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Estimated Costs:** \_\_\_\_\_

**Status:** \_\_\_\_\_

**Expected Completion Date:** \_\_\_\_\_

**Owner Name:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Estimated Costs:** \_\_\_\_\_

**Status:** \_\_\_\_\_

**Expected Completion Date:** \_\_\_\_\_

7. If there were extenuating circumstances, please give us the specific circumstance, when it was discovered and what efforts were made to resolve it prior to asking for the extension:

---

---

---

- Explanation Letter is attached

8. If you have any documents to support any of the above requested information, please send that along with this document. Please indicate if documentation is attached.

- Additional documentation is attached

Please answer all of the questions above and submit this information to THDA no later than 120 days prior to the end of the HOME Program Work Agreement.

Name of Requestor: NWTDD HOME Program Roll: Administrator  
Signature: [Signature] Date: 2/16/23

---

**For THDA Use Only:**

Date Received: \_\_\_\_\_

Reviewed by: \_\_\_\_\_ Date: \_\_\_\_\_

Length of Approval:  6 Months  12 Months

Community Programs Director's Determination  Approval  Denial

Extension Request Approved By Executive Director  Yes  No

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Explanation of Determination:

---

---

---

---

---



February 13, 2023

Cynthia Peraza, Director of Community Programs

Tennessee Housing Development Agency

Andrew Jackson

Building Third Floor

502 Deaderick Street

Nashville, TN 37243

Subject: City of Union City 2020 THDA HOME Grant - Request for Grant Extension

Dear Cynthia Peraza,

I am sending this letter to request an extension for the City of Union City THDA HOME Grant. The City's 2020 THDA HOME Grant expires on June 30, 2023 and we are going to need more time to complete the grant. There have been quite a few delays throughout this grant, concerning environmental reviews, scheduling inspections and lead base paint inspections, waiting on inspection reports, scheduling start dates with contractors, and supply chain delays. Here is the current status of this grant and its projects:

- We have completed three rehabilitation projects
- We have a bid opening scheduled for this week on a reconstruction project
- There is another project we are waiting to receive an inspection report on and then we will be moving forward on a bid opening.

Due to the many delays, we would like a grant extension for one additional year and we will plan to have all the projects completed by June 30, 2024.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Terry Hailey', is written over the printed name.

Terry Hailey

Mayor, City of Union City